

He makes
son gasp
in admiration

Sterling falls after inflation fuels new fear

By Rodney Lord, Economics Editor

Efforts by the Chancellor Mr Nigel Lawson to stem the weakness in the pound appeared to have had little effect yesterday. The three-week old battle between the Government and the market over the value of the pound continued with another fall in sterling.

The failure of the foreign exchange markets to respond to Mr Lawson's 1 per cent point rise in interest rates and his explanation at the Mansion House dinner on Thursday makes another rise in interest rates more likely. Rates in money markets yesterday indicated a rise of 1/2-1 per cent point.

The Halifax Building Society, Britain's biggest, said that it had delayed a decision on putting up mortgage rates until next week when general trends in interest rates are clearer. The society does not want the administrative expense of increasing rates until they know more clearly at what level they are likely to settle.

The main concern in the markets is the prospect of a rise in the rate of inflation. If the fall in the pound is not checked prices will rise.

Last month the rate of inflation accelerated slightly

from 2.4 per cent to 3 per cent — the first increase this year. The retail price index rose 0.5 per cent on the month mainly as a result of higher petrol prices, combined with an increase in the price of clothing and footwear, draught beer and a range of other goods and services.

A rise in mortgage rates will push up the inflation rate faster. An increase of 1 per cent which is expected by the

building societies to be the minimum increase would push up inflation by a further 1/2 per cent.

If rates have to go up by 2 per cent then inflation will be headed back towards 4 per cent.

Higher inflation is likely to damage the Government's chances of re-election. But there is still plenty of time for mortgage rates to come down again well before an election is called — and this would trim back the retail price index once more.

Financial markets were expecting the increase. But the pound fell because of disappointment with the Mansion House speech by Mr Lawson.

Sterling closed at 67.3 per cent of its 1975 value compared with the previous close of 67.7. Against the dollar it was a cent weaker at \$1.4302.

In the gilt-edged market prices dropped by 1/4 of a point in longer dated stocks and by 1/4 of a point in shorter dated. The equity market, however, remained calm with the *Financial Times* index closing 3.9 higher at 1281.5.

The disappointment in markets centred on Mr Lawson's failure to offer any firm commitment to membership of the European Monetary System.

Mr Stephen Lewis, economics director of Phillips and Drew, the stockbroker, said: "The feeling is that sterling will probably fall further unless there is positive news about joining the EMS. Many people were dismayed about what the Chancellor said about credit and the broad measure of the money supply. They feel he has too laid back an approach to this problem."

Markets are now hoping that something may come out of the meeting between the Bundesbank President, Herr Karl Otto Poehl and Mrs Thatcher on Monday. But informed sources have indicated that there is no change in the Government attitude to the EMS. This remains one of being willing to join in principle but feeling that the time is not yet ripe.

Figures next week on retail sales and on the trade balance may also have an impact on markets.



Showing the strain of an exhausting royal tour, the Duke of Edinburgh rubs his eye at Kinning yesterday.

Typhoon threat to royal cruise

From Alan Hamilton, Kinning

The otherwise majestic royal tour of China is approaching its finale clouded only by the unpredictability of the Duke of Edinburgh's off-the-cuff remarks and the course of typhoons in the South China Sea.

Typhoon Ellen, now roaming off the southern coast, threatens to scupper the royal party's plans for a leisurely two-day cruise aboard the Royal Yacht Britannia from Canton to Hong Kong.

Britannia was yesterday steaming south of Shanghai to collect the Queen and her entourage from Canton and deliver them to the start of the State visit to Hong Kong on Tuesday. Bad weather in the area threatens to dampen today's Canton programme and if storms prevent the cruise the Royal party plans to leave Canton by air today and stay privately in the Crown Colony until the scheduled start of the public programme.

The Chinese Foreign Ministry, in its first official comment on the Duke's remark, yesterday dismissed the incident as of no consequence. British diplomatic sources in China fear that the Chinese will retaliate in some subtle way, possibly by imposing some small difficulty in the talks over implementation of the treaty on Hong Kong, where some residents already

accompanying the royal party have been asking for a precise definition of the word "wally", following the widely reported crassness of the Duke of Edinburgh in telling a group of Scottish students that he found Peking boring, and all Chinese slit-eyed. Explanations that a wally is the large pickled cucumber in the party's chip shop counter have quickly added to Chinese mystification at the way of pale Europeans and their florid tabloid newspapers.

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Continued on page 26, col 8

Powell faces campus riot

By Mark Dowd
Education Reporter

Mr Enoch Powell had to abandon a speech at Bristol University yesterday after a group of anarchists calling themselves "Effective Action" stormed the platform.

He escaped unhurt from the back of the building and was quickly driven away to the Bristol West Conservative headquarters.

The university's Conservative Association had invited the Ulster Unionist MP for South Down to speak on law reform.

Mr Powell faced about 100 jeering demonstrators in the foyer of the student union building near Clifton, Bristol.

Photograph 2

when he arrived shortly before 1 pm. Some displayed posters saying: "Mr Powell - we don't like you."

The speech, before an audience of about 700 people, had been expected to last an hour and a half, but after 10 minutes of heckling, mainly from a small group of youths at the front of the hall, Mr Powell interrupted his address and said: "I intend to stay here until I make myself heard. You are not arguing with me. You are trying to intimidate me."

Then about 10 youths surged forward and attacked the barrier between speaker and audience, pulled over microphones, and threw tables and glasses into the crowd.

Mr Powell was ushered away by Rugby Club security officials and the student union executive abandoned the meeting and evacuated the hall.

Mr Andrew McAuliffe, aged 21, a Rugby Club member, said: "It was absolutely terrifying. People went absolutely berserk."

Bristol was the scene of violent disruption to another lecture, delivered by Professor John Vincent, after which the university this year began disciplinary proceedings against several students. The protesters objected to Professor Vincent's allegedly "racist and sexist" writings for *The Sun* newspaper.

Mr David Gottlieb, president of the student union, said after yesterday's incident that all the trouble had been caused by outsiders who infiltrated a peaceful demonstration by about 400 students in the foyer.

He dismissed rumours that about 200 union cards and a stamp had gone missing before the event.

Mr Philip Malcolm, chairman of the Bristol University Conservative Association, said he was appalled and disgusted but not surprised. Mr Powell declined to comment.

Karpov papers Kremlin cracks

From Christopher Walker
Moscow

A subdued-looking Mr Viktor Karpov, the Soviet Union's chief arms negotiator, yesterday returned to Moscow from Western Europe and swiftly called a press conference to deny all suggestions that he had been guilty of voicing a different interpretation of the Soviet position than Mr Mikhail Gorbachev.

Mr Karpov underlined that the Kremlin is not now prepared to sign a separate agreement on reducing medium-range nuclear weapons in Europe and vigorously denied Western news reports that he had suggested anything to the contrary during his visits to London and Bonn.

"I want to refute these allegations most emphatically. I never wanted to disprove Mr Gorbachev," Mr Karpov added in a hastily-delivered statement which bore all the hallmarks of having been ordered by senior Politburo figures anxious to avoid accusations of a split.

"An agreement must cover all the main areas of the disarmament problem," Mr Karpov said. "This is the substance of our initiative." But he re-affirmed that separate negotiations on medium-range missiles, strategic weapons and space arms would continue in Geneva.

In an effort to explain what he alleged was widespread misinterpretation of his remarks in London and Bonn, Mr Karpov said: "What I was saying is that we do not rule out the possibility of using the same machinery of negotiation that we used before."

He said that although agreements could be reached separately, they could not be signed until an agreement as a whole — including the limitation of Star Wars to the laboratory — was approved.

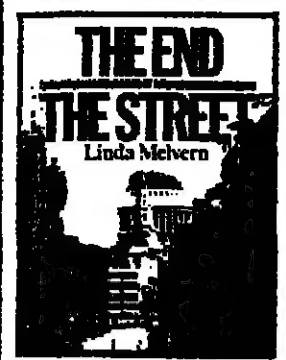
Mr Karpov left little room for misinterpretation, during his visits to London and Bonn, earlier this week (Nicholas Beeson writes).

His statement yesterday differed significantly from his comment after meeting Mrs Margaret Thatcher, when he said in English: "We do not deny the possibility of finding a solution on medium-range nuclear weapons in Europe separately from space and nuclear offensive arms."

Both publicly and privately, Mr Karpov made it clear that the Star Wars stumbling block could be by-passed.

Similarly in Bonn on Wednesday, Mr Karpov remarked: "It has always been our position that INF can be dealt with and agreed upon as a separate issue. We are ready to discuss and solve this question separately if there is willingness on the part of the United States."

Exclusive next week



The Fleet Street revolution

A revolution that began when Rupert Murdoch moved *The Times* and three other newspapers to a new plant in east London led to one of this century's most controversial disputes. But so far there has been no attempt at an objective account of its origins

● On Monday, *The Times* begins the serialization of *The End of the Street* by Linda Melvern, an independent investigation into the events that changed newspaper history. The book highlights:

● Secret talks at which Murdoch outlined his plans for a new London newspaper using high technology at a site away from the ravages of Fleet Street

● The full story of Project X, during which an abandoned warehouse was used to test sophisticated computer equipment brought to Britain in unmarked crates

Next week only in *The Times*

Portfolio Gold

- There is £12,000 to be won today in *The Times* Portfolio Gold competition — the weekly prize of £8,000, plus the daily £3,000
- Yesterday's £4,000 was shared by two readers — Mrs Hazel Talbot, of St Albans, Herts, and Sir Derek Mitchell, of Putney, London. Details, page 3.
- Portfolio lists, pages 20 and 25; rules and how to play, page 39.

On This Day

Ten VC's were won at the Lone Pine trenches in the Gallipoli peninsula by the heroic Australian First Brigade in the Dardanelles in 1915. Page 17

TIMES BUSINESS

Takeover talk

There was speculation in the City that Turner & Newall, the asbestos group, has been given the go-ahead to bid again for AE, the engineers. Page 21

Saudi threat

Sheikh Ahmed-Zaki Yamani, the Saudi Arabian Oil Minister, said his country would stop limiting oil production if Opec did not agree on a new quota system. Page 21

TIMES MONEY

Your loan

How much more will your mortgage cost you? The question is asked in today's 12-page Family Money section. Pages 26 to 37

TIMES SPORT

Hockey climax

The semi-finals of the hockey World Cup take place at Willesden, north London, this afternoon. England play West Germany, while Australia meet the Soviet Union in the other match to decide the teams for tomorrow's final. Page 44

Gatting fit

Mike Gatting, the England cricket captain, has recovered from a chest infection in time to take part in the first match of the Australian tour today. Page 41

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Birmingham fury at Games loss

From John Givens, Lausanne

Barcelona will stage the 1992 Olympic Games.

Birmingham, who had been hoping to hold the first Games in Britain since 1948, yesterday finished fifth out of the six contenders in the ballot of the 18-member International Olympic Committee, polling only eight votes.

Sebastian Coe, who had featured in Birmingham's campaign of giving the Games back to the athletes, said: "There was nothing to be ashamed of. Given a late start it was as good a bid as possible."

The extravaganza of bidding cost the rival cities £80 million, enough to stage all the summer Games up to and including Tokyo in 1994.

But yesterday Barcelona and Albertville, France, who will host the winter Games in the centenary of Baron de Coubertin's speech that revived the Olympic Movement, were not regretting their expenditure as the delegations began celebrations.

But Señor Pasqual Maragall, the Mayor of Barcelona, admitted that he expected the danger of political interference in the Games to increase over the next six years, although he hoped they would be insulated from politics. The last three Olympics had been damaged by boycotts.

Amsterdam were the first of the six cities to be eliminated, polling five votes on the first round for the summer Games. Birmingham did not pick up any of Amsterdam's votes and were eliminated in the second round. Barcelona collected the necessary absolute majority with 47 votes in the third round.

Mr Denis Howell, Labour MP for Small Heath and

David Miller 44

chairman of the Birmingham bid, said: "Barcelona had three years and a £6 million start over us. That is a big advantage."

Mr Howell said he had complained to Señor Juan Antonio Samaranch, President of the IOC, about activities here: "There has been too much heckling of delegates, too much political pressure, and too many extraneous factors."

But Birmingham had established itself as an Olympic venue for the future.

● **BIRMINGHAM:** Civic leaders here were furious yesterday that their Olympic bid had received only eight votes in Lausanne, but they pledged to bid again to stage the

Continued on page 20, col 7

Wapping violence attacked

By Sheila Goss

Lord Harris of Greenwich, a former Labour Home Office Minister, condemned the violence outside the News International plant at Wapping, east London, as bearing no relation to "peaceful persuasion."

"This vicious boogalooism has gone on for many months and is beginning to have a profound effect on the quality of policing through the Metropolitan Police district because of the call on resources."

This was the second time in two days that Lord Harris, who sits on the Social Democratic Party benches, has raised the Wapping dispute in the Lords.

Lord Caithness, a Home Office Minister, told peers 393 policemen had been injured in the dispute.

"In this country there is a long tradition of peaceful protest within the law. But it is clear that some of those taking part in these demonstrations have attended with the intention of committing and provoking violence," he said.

"The way forward lies in sensible co-operation between the police, and responsible trade unionists."

Parliament, Page 4

Israel continues hunt for navigator

From Ian Murray
Jerusalem

Israeli helicopters yesterday continued to scour the hills south of Sidon in an attempt to find the missing navigator from a Phantom which crashed on a bombing raid there on Thursday afternoon.

Other Israeli aircraft carried out mock bombing runs over the area through the day.

The pilot of the crashed aircraft was rescued by helicopter on Thursday, strapped to the undercarriage as he was flown to safety because there was no room for him aboard. Amal Shia Militia in Sidon

claimed yesterday to be holding the missing airman as a prisoner, safe apart from a broken arm. Journalists were shown Israeli equipment and a parachute to journalists but military sources here remained unconvinced by the story.

On Thursday, Amal issued a series of conflicting claims, saying it had captured both men, then denying it, then saying it had captured one while the other was dead. Israeli silence about the rescue of the pilot over a six-hour period prompted the stories.

Details of the two crewmen have been withheld so that

any group claiming to have taken the navigator prisoner would only know his name and description if it was telling the truth. With five or six rival armed militia in the area Israel will need conclusive proof before it calls off the search.

● **BEIRUT:** An Israeli air force navigator, who parachuted from his burning jet bomber during an air raid in southern Lebanon on Thursday, was reported yesterday to be a prisoner-of-war of the Shia Muslim Amal Militia (Juan Carlos Gumucio writes).

Helicopter snatch, page 5

City yuppies swing into Saturday

By Richard Thomson
Banking Correspondent

The Stock Exchange is open for "dealing" today, the first time in its 250-year history that it has opened on a weekend.

The normally deserted streets of the City will roar to the sound of Porsches as the new "yuppies" and the City establishment rehearse what life will be like after Big Bang on October 27.

Getting to and from work is the first but not the least of the problems. Saturday early-morning trains are less

crowded but less frequent than on weekdays, and "the Drain," the underground railway from Waterloo to the Bank, stops running at 1.30. But it is the exercise itself which will be causing most worries.

Today's dealing, however, is not the real thing but a trial to see if the new system will work.

Market-makers in shares and government stocks will spend the day furiously trading fictitious shareholdings worth hundreds of millions of pounds.

To add to the realism the City's most frequented "watering holes" will be open to refresh the stock market men and women at lunchtime.

A Stock Exchange spokesman said last night: "We have warned the local wine bars and caterers of what is going on. Many are breaking tradition and opening on Saturday." Normally, the bars and restaurants of the Square Mile are closed from Friday night until Monday morning because of the lack of custom.

The stock market firms are not all treating this as a dress rehearsal in the full sense of

the term. Phillips & Drew, the long-established broker (now owned by the Union Bank of Switzerland), is requiring its staff to arrive in suits and ties. In a more relaxed vein, Salomon Brothers — the big American securities house — is allowing casual dress.

By the end of the rehearsal, firms will know whether the effort, the massive investment in equipment and the "golden hello" transfer fees, sometimes running into seven figures, have given them a team ready for the real battle.

Big Bang rehearsal, page 21

Row costs Jaguar 200 cars

By Craig Seton

Production of the new Jaguar saloon car remained at a standstill yesterday because of a dispute over an efficiency study at the company's Coventry plant.

About 800 assembly workers who struck on Thursday returned to work yesterday, but walked out almost immediately, when talks failed to settle the dispute.

By last night nearly two days' production of the new car had been lost, and an estimated 200 models in total. The new saloon range went on display this week at the International Motor Show in Birmingham.

A Jaguar spokesman said that the company was determined to press on with the study being undertaken on the assembly line in an attempt to improve productivity.

The majority of the assembly workers involved belong to the Transport and General Workers Union.

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NEWS SUMMARY

Engineering claim

Britain's 1.5 million engineering industry workers are seeking a pay increase of at least 7 per cent — more than twice the rate of inflation.

Mr Bill Jordan, president of the Amalgamated Engineering Union, said yesterday that unions expected national minimum time rates to keep up with the level of domestic settlements.

"Those settlements are from 7 to 8 per cent and we should not want to see the national rates drift from that sort of level," he said. The claim would not be inflationary or job destroying.

National rates — now £101.50 a week for skilled workers and £73.10 for the unskilled — apply only to shift, overtime and guaranteed week payments for most engineering workers.

Fans face drink test

An electronic device to measure alcohol in the breath of football fans as they pass through turnstiles may help to reduce hooliganism.

The Alcosentry, which costs £700 and measures about 1ft by 9in, was developed by Lion Laboratories, of Barry, South Glamorgan.

It will be able to tell a real voice from a recording, and will provide a reading even if fans turn to one side or speak through a scarf.

Dr Paul Williams, the company's marketing director, said the device would appeal to clubs.

Bullion charge

A London solicitor was charged at Hammersmith Road Magistrates' Court yesterday with handling £250,000 cash proceeds of the £26 million Brinks-Mat gold bullion raid.

Michael Nelson, aged 48, of Carlisle Place, Victoria, was remanded in police custody for three days.

He and Stephen Donovan, a property dealer, aged 34, of Elf Row, Stepney, east London, who was remanded in custody for a week, are charged with assisting in the realisation of £250,000 cash proceeds of stolen gold bullion.

Level crossings study

The safety record of automatic open level crossings is to be studied after the accident on an unmanned level crossing at Lockington, north of Hull, Humberside, in which nine people were killed.

Thirty seven people were injured in the accident, on July 26, when a passenger train hit a van on the crossing.

The study will be conducted by Professor Peter Stott, who is expected to report in six months. Mr David Mitchell, Minister of State for Transport, said yesterday no further automatic level crossings would be approved until then.

A public inquiry into the Lockington accident was held last week.

Irish pact protest

A case brought against a member of the European Parliament for non-payment of rates was adjourned yesterday after it was argued that he was entitled to immunity.

The Official Unionist Mr John Taylor, one of Ulster's three MEPs who is also MP at Westminster for Strangford, has publicly withheld payment of £920 rates in protest at the Anglo-Irish agreement.

His counsel told a stipendiary magistrate at Armagh yesterday that Mr Taylor was entitled to immunity while the European Parliament was in session.



Police get riot film

The police won a fight yesterday to obtain unpublished photographs and films of the recent rioting in St Paul's, Bristol.

South-West News Service, the Bristol-based news agency, consented to an order by Mr Justice Stuart-Smith, during a hearing in camera at the High Court in Bristol, to hand over the material. A High Court action against two Bristol-based newspapers and a news agency who refused to hand over photographs taken during the riots was adjourned.

Mr Tom Turvey, the Labour chairman of Avon and Somerset Police Authority, is resigning in protest at the police operation which is said to have led to the riots.

Election fever in Dublin

No-confidence test for FitzGerald

A parliamentary crisis faces the Irish Republic's prime minister when the Dail opens next week with a motion of no confidence in his beleaguered coalition administration.

The uncertainty about the survival of the Fine Gael-Labour government has led to a general election atmosphere throughout the country, with both main parties preparing for the possibility of a snap poll.

Although a number of dissident government backbenchers have threatened to withhold support from the government, Dr Garret FitzGerald's advisers expect him to win the crucial vote by a margin of 83 to 81. He has a majority in the Dail only on the casting vote of the speaker.

During the past few weeks Dr FitzGerald has been touring constituencies announcing government plans. His opponent, Mr Charles Haughey, leader of Fianna Fail, has also been campaigning, preparing his fellow parliamentarians and reviewing electioneering material under the slogan, "There is a better way."

The annual conference of Dr FitzGerald's Fine Gael party opened in Dublin last night with the prime minister outlining his vision of the future.

The conference will concentrate on domestic issues and is aimed at heightening the separate identity of Fine Gael and improving the image of Dr FitzGerald: the party is trailing in the opinion polls and the prime minister wants to delay an election until next year.

The divisions within the party between the conservatives and those backing Dr FitzGerald's Liberal/Social Democratic image indicate that there are many who envisage Dr FitzGerald no longer being leader after the election.

Mr Peter Barry, the Irish Republic's Foreign Affairs Minister, last night claimed credit for the British Government decision to launch an inquiry into an alleged "shoot-to-kill" policy in Northern Ireland.

Manual workers walk out as electricity threat mounts
Engineers act in Ulster crisis

White-collar engineers moved into Northern Ireland's strike-closed Ballylumford power station yesterday, took over manual workers' duties and began "steaming up" the plant for a resumption of supply.

In protest at the engineers' action, manual workers at one of Ulster's two other power stations, who had been working normally, walked out in late afternoon and there were fears that their colleagues at the third station would join in.

The move to break the electricity strike, which has

crippled commerce and industry in the province, came on the fourth day of the strike.

The action angered the 400 manual workers on strike at what is Northern Ireland's largest operational power station since the even larger Kibroe was shut down some months ago for a two-year conversion to mixed coal-oil firing.

Delegations of strikers were sent to the two smaller power stations, Belfast West and Cooksbridge, near Londonderry, which together, working full blast, supply little more

than 60 per cent of the normal weekday peak flow.

Talks were renewed between the management and union officials over the dispute which concerns five men suspended for refusing to work with equipment which they deemed to be unsafe.

The workers at Belfast West gave the management four hours before they too, "pulled the plug".

This they did at 5.30 pm, having extended their deadline by more than two hours as the negotiators at NI Electricity headquarters talked on.

The deadline, due to expire at 3 pm, was extended as the negotiators at the Northern Ireland Electricity Service's Belfast headquarters talked on.

The chief union negotiator, Mr Tom Douglas, said the Ballylumford men were angry at the management's action in sending in the power engineers.

As a result Mr Douglas said he was recommending to national officers that the unofficial strike be given official union backing.

If the strike became official, Mr Keith Jones, of the Electrical Power Engineers Association, said, his members, currently working to restart Ballylumford would have to think again.

The situation last night was heading towards that which prevailed during the 1974 Protestant workers' general strike, which toppled Northern Ireland's only attempt at a power-sharing government when the solidly Protestant electricity workers supplied the strike with its crucial muscle.

BP set for massive expansion at oilfield

By David Sapsted

British Petroleum was given approval yesterday for a £265 million development which will increase production tenfold at Wytch Farm oilfield in Dorset.

Approval by Dorset County Council of the development marks an important victory for BP after a two-and-a-half year battle to increase production at Wytch Farm, already Europe's largest onshore oilfield, from 6,000 to 60,000 barrels a day. The move will rank Wytch Farm alongside a medium-size North Sea field.

At the same time, BP yesterday increased its forecast of recoverable reserves from the field from 200 million to 230 million barrels.

Mr Kneale Johnson, field manager, said last night that he was delighted the company had been able to satisfy local environmentalists and get council planning permission.

Development at the field will include expanding the existing 10-acre gathering centre to cover 33 acres of woodland, increasing the number of "nodding donkey" wells by 46, and using the 34-acre Furzey Island, in Poole Harbour, as a centre for developing the field, with a pipeline buried beneath the seabed feeding the central gathering centre.

Plans for the development will not be complete, however, until the Department of Energy decides whether BP should be allowed to build a 90-kilometre pipeline from Wytch Farm to a terminal at Southampton Water.

At present, all oil from the field is taken out by rail, but the company believes that the pipeline approved by Dorset and Hampshire county councils but opposed by New Forest district council — is essential to such a massive expansion of production.

If the pipeline does get the go-ahead, BP expects to be in full production by the end of 1989. In addition to the oil, an estimated 10 million cubic feet of domestic gas and 185,000 tonnes of butane and propane LPG will be produced annually.

BP has 50 per cent of the Wytch Farm field, as well as being its operator. Partners in the project are Tricentral, Premier, Carless, Clyde and Gail.



Mr Enoch Powell surrounded by demonstrators yesterday before his speech to students at Bristol University which had to be abandoned (Photograph: Julian Herbert).

NUM pensions deal

By Michael McCarthy

Miners are offered £25m back pay

British Coal is offering £25 million in back pay to 65,000 members of the National Union of Mineworkers in an attempt to settle the last outstanding issue of the miners' strike, that of pension contributions.

In return, they are seeking agreement from the NUM to amend the rules of the mineworkers' pensions scheme.

The scheme, of which British Coal and the NUM are joint trustees, suffered a loss of £120 million during the strike, made up of £60 million in lost contributions from striking miners, and an equivalent

sum from the former National Coal Board as the employer.

Last autumn, when British Coal entered the first pay negotiations with the NUM since the end of the strike, the board sought to link any pay increase with recovery of the £60 million lost in employees' contributions to the scheme.

The union refused and, although the breakaway Union of Democratic Mineworkers received a pay increase, pay negotiations with the NUM were frozen until Sir Robert Haslam awarded the NUM their £8 per week rise as one of his first acts after taking office in September.

The rise, intended by Sir Robert as a gesture of wiping the slate clean, was to take effect from September 1 this year.

But now Sir Robert and his board have offered to backdate the rise to the original date of November 1 last year — if the NUM executive will agree to settle the pension contributions question when it meets next month.

The back pay would amount to about £350 for each miner.

In return British Coal wants the NUM to agree to a change in the pension scheme rulebook to make it absolutely clear that future strike absence

from work lasting more than one week will not count as contributing service for the pension scheme.

They also want the union to be bound by the results of two forthcoming legal actions about whether the previous strike action did or did not count as contributing service.

Sir Robert said: "Our proposition makes it absolutely clear that the pension problems arising from the NUM's year-long strike action cannot arise in future. The mineworkers' pension scheme must be amended to ensure that."

Kinnoek in attack on colleges

By Our Political Reporter

Mr Neil Kinnoek yesterday attacked the Government plans for twenty City Technology Colleges as a "withdrawal from both reality and responsibility".

The Labour leader claimed they would exacerbate divisions in society and increase dependence on private patronage.

Plans for the colleges, which will mainly be in inner city areas, were announced by Mr Kenneth Baker, Secretary of State for Education and Science, at the Conservative conference in Bournemouth.

Mr Kinnoek said ministers were labouring under the delusion that the state education service was a desert and the solution was to create a number of oases — hence the technology colleges.

But the scheme was fundamentally wrong because it would reinforce the misconceived idea that it was possible to have separate but equal provision — the philosophy that underpinned the creation of grammar and secondary modern schools.

"What the education system needs is not further fragmentation of funding or control, nor sporadic competitive initiatives, nor further attempts at creaming off or dividing the technical from the academic... but wholesale irrigation to resource properly the whole curriculum."

Mr Kinnoek, speaking at the Royal Society of Arts in London, said this would give all children the means to develop their full potential.

Heathrow 'sordid' refugee camp

By Peter Evans, Home Affairs Correspondent

Two hundred would-be entrants to Britain from the Indian sub-continent were taken by coach last night to the Fire Service College at Moreton-in-Marsh, Gloucestershire, while further inquiries were being made into their immigration status, the Home Office said.

The Government was accused of creating a "sordid refugee camp" at Heathrow Airport because of the introduction of the new visa requirements.

Lord Mishcon, for the Opposition, said that the Government's action had left many visitors the victims of "cruel travel agent rackets".

To cope with the rush of entrants yesterday, a further 70 were held in prisons while 117 more immigration officers were drafted into Heathrow from the South-east and other ports. Some officers have been switched for a month while others are travelling on a day to day basis.

Who pays for the stay of the

MP hits at mean husbands

By Our Political Reporter

A Conservative MP yesterday criticized husbands who do not allow their wives to know how much they earn and give them the same housekeeping allowance every year.

Mr Hugh Dykes, MP for Harrow East, wants to introduce a private member's Bill to help strengthen the housewife's case.

Mr Dykes, aged 57, yesterday attacked male chauvinism in the home, saying: "My Bill would aim at the hapless wives who do not know what their husbands earn, and whose housekeeping money may not have increased for years."

He said it would also apply to women who work while their husbands stay at home. His wife, Susan, aged 44, confirmed that he practises what he preaches, but she would not disclose the details of their discussions about the household budget.

She said that sharing the burden helped minimize family friction. "I think if you know how much he earns, you can share the burden and be responsible for bills together."

But housekeeping is not a point of dispute in the Dykes household. Mrs Dykes, a public affairs consultant, pays for the shopping and her husband meets the bills.

The chances of Mr Dykes' measures becoming law are slim. Apart from having to win over the massed ranks of the old-fashioned Tory backbenchers, he will have to struggle to get the Bill debated.

Collins sells Pan share

William Collins is to sell its one-third stake in Pan Books, Britain's second-largest paperback publisher after Penguin, in a transaction expected to lead to intensified competition in the paperback market. (Our Media Correspondent writes).

Heinemann and Macmillan, who have been equal partners in Pan with Collins, are believed to be paying about £8.5 million to gain control of Pan. The new owners are preparing for a large expansion for it.

A Penguin spokesman said: "Obviously this will give Pan greater coherence. Pan are our major rivals."

The relationship between the three owners of Pan has been gentlemanly but not fully satisfactory, industry sources said last night. Because Collins owns two large paperback imprints, Grafton and Fontana, there has been a conflict between its interests and those of Pan, the sources said.

Hitch for BT car telephone users

Car telephone users have found recently that not all the advertised services on their British Telecom equipment work, as they should, if they switch to the rival Vodafone network. The problems affect BT's Bronze and Pearl models and involve special features such as number recall.

The Office of Telecommunications (OfTel), the industry's watchdog, thinks the BT car telephones breach licensing regulations which require that both networks are inter-

changeable and said yesterday that the telephones are "at the very least against the spirit of the licence".

OfTel has asked the British Approvals Board for Telecommunications "to decide to approve any more BT car telephones that are not transferable to Vodafone".

The decision means that Topaz, BT's latest car telephone, will be shelved just three months before its public launch, as it offers the same special services that will not

work on Vodafone.

The difficulties have been caused by different internal codes in use by the rival telephone systems. OfTel claims that BT has not conformed to agreed standards but BT says that Bronze and Pearl handsets are already licensed and it expects to negotiate approval for Topaz.

According to OfTel, those negotiations have for the moment broken down — any need to adapt the Danish-made Topaz sets would be costly.

Navy fears defence policies, Owen says

By Our Political Reporter

Dr David Owen claimed yesterday that there is deep concern among senior Royal Navy officers over the direction of the Government's defence policies.

The SDP leader accused Mr George Younger, Secretary of State for Defence, of seeking to "camouflage" the implications of a 7 per cent fall in real terms in military spending during the next two years.

He said in his Plymouth constituency that confidential Ministry of Defence papers published in the press last month proved that the Trident nuclear missile programme would have a serious effect on the Navy's conventional capability.

Over the next decade, the surface fleet would average 48 ships, not the stated target of 50, and there would be cuts in the building of new vessels for amphibious forces. No new hunter submarines would be built while the Trident programme was under way.

Dr Owen said: "Like the cuckoo in the nest, Trident is on course to take more and more from other parts of our conventional defence effort. We are pretending to have a larger surface fleet than we have."

"We are actually going to cut back on our SSN (attack-class nuclear submarine) fleet and risk not having an amphibious lift capability, all to preserve the Trident missile system."

Dr Owen said it was becoming increasingly obvious that Britain could not afford the ideal option of a ballistic nuclear deterrent and a large fleet of hunter-killer submarines.

The answer lay in a minimum European deterrent involving French nuclear forces and embracing other European nations, notably West Germany, through political co-operation in the deterrent strategy.

Collaboration with the French over submarine refuelling cycles and joint targeting strategies would make it easier for Britain to cut its ballistic missile submarines from four to three.

Tory MP speaks on caning

By Nicholas Wood, Political Reporter

A right wing Conservative MP last night gave his local party officials his account of newspaper allegations that he has taken part in caning sessions with young men at his London flat.

The claims centre on Mr Harvey Proctor, MP for Billericay, Essex, who is a member of the Monday Club, an outspoken critic of current policies on race and immigration.

Mr Proctor was attending a routine meeting of the 40-strong executive committee of the Billericay Conservative Association, which was being held in secret to evade journalists.

Before the meeting Mr Proctor, who has denounced the allegations as a "tissue of lies" and has spoken of a plot to hound him out of his seat because of his views on race, denied that he had been "haunted" before the committee.

Mr Bob Britnell, vice-chairman of the association, said that the meeting was the normal bi-monthly gathering of the executive and there was "nothing explosive" on the agenda.

"Mr Proctor normally attends and speaks on current issues and answers questions. The allegations are a current issue and I would expect him to speak about them and answer questions on them."

Mr Proctor has already met constituency officials informally to discuss the allegations and some members of the association believe he should either take legal action to clear his name or resign.

Mr Britnell said the venue of the meeting was being kept secret to prevent reporters "badgering" committee members.

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Suspended school head 'was known for her views against racism'

Miss Maureen McGoldrick, the north London headmistress suspended for allegedly making a racist remark, was renowned for her splendid record of anti-racism, her counsel told the High Court yesterday. Miss McGoldrick, aged 39, of Highcliff, Cleveland, Scotch Common, west Ealing, was suspended from her post as head of the 380-pupil Sudbury Infants School, in the Labour-controlled borough of Brent, on July 18.

The move came after an allegation by Mrs Shelagh Szulc, an administration assistant in the borough's education office, that Miss McGoldrick had told her on the telephone that she did not want any more black teachers at her school.

Mr James Goudie, QC, told Mr Justice Roch that the headmistress was still suspended in spite of her immediate denial of the accusation and the support of staff, parents and the school governors, who rejected the complaint and called for her reinstatement.

Miss McGoldrick is seeking a court declaration that the governors' findings are binding on the borough council, an injunction to restrain the council from continuing with disciplinary proceedings against her and continuing her suspension, and an order directing them to reinstate her as head teacher. She is also asking for damages.

Mr Goudie said Miss McGoldrick moved to Sudbury as head in September 1982.

Of the 380 pupils in the school, four-fifths were black. One-quarter of the staff was also black.

In 1984, he said, Miss McGoldrick attended a multicultural course provided by the borough. "She is fully aware of, and personally wholeheartedly supports, the anti-racist policies of the local education authority," Mr Goudie said.

She was instrumental in the appointment of five black teachers.

By mid-July, Mr Goudie said, Miss McGoldrick was facing something of a crisis over staffing levels. Two experienced teachers had left after promotion and she was four short.

"Miss McGoldrick has been most concerned to have the best teachers for the young children at the school and to ensure their number is kept up."

On occasions, over the telephone, she may have been a little cross," Mr Goudie said. On July 17, Miss McGoldrick spoke to Mrs Szulc and pleaded her case. She was told that a Miss Khan was available and she agreed to see her. Miss Khan had since joined the staff.

"That should have been the end of the story. But Mrs Szulc seems somehow or other to have got hold of the impression that Miss McGoldrick didn't want any more black teachers," the court was told.

"For her to have said anything remotely of the sort would have been wildly out of



Princess Anne the centre of attention yesterday for happy and excited girls of the Royal School for Daughters of Officers of the Royal Navy and Royal Marines at Haslemere, Surrey, when she opened the school's new gymnasium (Photograph: James Gray).

Massacre trial

Bamber denies plan change 'to fake sister's suicide'

By Michael Horsnell

Jeremy Bamber yesterday denied that after shooting dead four members of his family he was forced to change his plans to fake his sister's suicide and plant the guilt on her.

At the end of nearly two days in the witness box Mr Bamber, aged 25, a farmer's son, faced vital questions at Chelmsford Crown Court from Mr Anthony Arlidge, QC, for the prosecution.

After denying that he had used his sister's madness as a cover for the White House Farm massacre last year Mr Bamber was referred to a blood-stained gun silencer.

That, the prosecution has alleged, was found in the downstairs gun cupboard detached from the murder weapon three days later after Mr Bamber had realized it made the 22 rifle too long for his sister, Miss Sheila Caffell, to have been able to shoot herself.

Mr Arlidge suggested: "You did shoot the first four people with the silencer, didn't you?" Mr Bamber replied: "That is not true."

Mr Arlidge: "You then shot Sheila with the silencer?"

Mr Bamber: "That is untrue."

Mr Arlidge: "When you came to fake her suicide you realized it was not possible for her to shoot herself with the silencer?"

Mr Bamber: "That is untrue."

Mr Arlidge: "That is when you changed your plans and took the silencer downstairs?"

Mr Bamber: "That is not so."

Mr Arlidge: "You killed them all, didn't you?"

Mr Bamber: "No, I did not."

Mr Bamber denies murdering his adoptive parents Neville and June Bamber, both aged 61, his half-sister, the London model Bambi, aged 27, who was originally suspected of the killings, and her twin sons, Nicholas and Daniel, aged six.

Earlier Mr Bamber clashed twice with Mr Arlidge, once when Mr Bamber accused him of pressurizing him during cross-examination, and once over questions about his handling of the rifle the night before the murders.

Mr Arlidge suggested he was lying when he claimed that he

had left the rifle lying in the kitchen with a loaded magazine after going out to shoot rabbits on his parents' farm.

Mr Arlidge asked: "Why did you leave it lying around?"

Mr Bamber: "Because I was in a hurry to get back to the combine harvester."

Mr Arlidge: "You are not telling the truth, are you?"

Mr Bamber: "That is what you have got to try and establish."

On the twelfth day of his trial Mr Bamber agreed it was "unfortunate" that he should have left the weapon with a loaded magazine beside it the very night he claimed his sister decided to kill his family.

He agreed under cross-examination that he had spent freely after his parents' funeral, eating in restaurants and staying in expensive hotels.

He also agreed that the night after the murders, on which he had spent £228 on clothing, he enjoyed a champagne evening at the Caribbean Cottage at Burnham on Crouch in Essex.

The trial continues on Monday.

Husband wins home tussle

A divorced mother of two must order her lover out of her home or lose it, the Court of Appeal ruled yesterday.

If he does not go, the house must be sold with 40 per cent of the proceeds going to her former husband, the court said.

Mr John Gallagher, a market trader, had appealed against a Keighley County Court order that his former wife, Mrs Patricia Gallagher, was entitled to a 75 per cent

interest in their home in Riddlesden, West Yorkshire, where she still lives.

He also asked the court to impose a condition that if his former wife set up a permanent home with another man the house should be sold.

Sir John Arnold, president of the Family Division, sitting with Lord Justice Nourse, agreed that condition was not unreasonable.

He said Mrs Gallagher admitted she and Mr Stuart

Lund were living together, but she had claimed it was a temporary arrangement.

The relationship justified imposing a condition that the house be sold if she "assumed a state of permanent cohabitation with another man."

The judges also ruled that the county court had not given Mr Gallagher, of North Park Road, Bradford, a large enough share in the £79,000 home, and increased his 25 per cent share to 40 per cent.

Multi-million deal was won by fraud

A group of businessmen who took part in a conspiracy to win contracts worth several million pounds with the Ford and Freight Rover companies were jailed yesterday.

Warwick Crown Court was told last month that representatives of Durr Ltd, a paint plant manufacturer and installer, of Warwick, were allowed to photocopy the tenders of two rival companies to enable them to win a £6 million contract with Freight Rover.

The company then paid £30,000 to Eric Dingley, a senior engineer with Freight Rover in Birmingham, for services rendered.

Similar methods were used to clinch a £5 million contract with Ford Halewood. A Ford engineer, Donald Thwaites, was paid £20,000 for his help. All the defendants pleaded guilty to conspiring to corruptly exchange gifts for favours.

The company sales man-

ager, Leslie Taylor, aged 50, of Seaside, Eastbourne, was jailed for 18 months after Judge Clark described him as "the main instigator". The managing director, Reginald Walker, aged 58, of Weston Close, Dorridge, Solihull, was jailed for nine months.

Dingley, aged 55, of Foster Green Road, Droitwich, Worcestershire, and Thwaites, aged 41, of Rushley Close, Grays, Essex, were each jailed for one year.

Two other Durr employees, Michael Maguire, aged 41, of Frohisher Road, Styvechase, Coventry, and Graham Cook, aged 40, the financial director, of Darley Green Road, Knowle, Solihull, were given suspended jail sentences. Maguire, who was also fined £2,500, had a six-month-term suspended for one year. A three-month sentence on Cook was suspended.

The company, which is owned by a West German firm, was fined £100,000.

Holiday week in Spain offered at £29

By Derek Harris

Thomson, Britain's biggest tour operator, yesterday offered a week's holiday next summer in Spain at £29 and the same in Greece for £39.

The offers set the scene for a rash of bargain hunting in package holidays to rival those of a year ago when holiday companies rushed to top each other's deals.

Travel agencies were then besieged by those seeking holidays priced at £25.

Thomson has thrown down the gauntlet through its one-year-old subsidiary, Skytours, which specializes in budget-priced holidays based on self-catering and hotels in the one-

star and two-star categories. Skytours this summer carried about 151,000 holiday-makers but next year the programme is being expanded to a million.

That is a direct attack on Intasun holidays from the best known subsidiary of Mr Harry Goodman's International Leisure Group (ILG), whose main brochures are to be launched next week.

Thomson's aims to push Skytours sales above those for Intasun with a promise that where it shares hotels or apartments with any of 12 named operators it will be cheaper.

Next Thursday, Skytours will have on sale about 500 of the cheapest holidays but there will be about 120,000 altogether, with reductions of between 10 per cent and 50 per cent on this summer's prices.

Several thousand free children's holidays are being offered and other child prices start at £7. It means a family of four could have a week in Benidorm, the Costa Brava or Ibiza for £27 in May.

Average price of the full Skytours programme is claimed to be £195 against just over £200 this summer. In its main brochures Thomson Holidays, the market leader,

claims to have pegged its average price at £250.

Sales on the brochures already out are well ahead of last year. The half million mark was passed this week.

Mounting its expanded attack on the family market through Skytours, Thomson is hoping to push its share of the summer market from 30 per cent this year to 40 per cent next summer.

Mr Peter Smith, managing director of ILG, said that the Skytours announcement was no surprise. "It is a reaction to the offers we have made. We have already sold 268,000 holidays in six days."

Jordanian talks of Israeli deception

By Stewart Tendler

The Jordanian accused of trying to use his girl friend to blow up an El Al jet with 375 on board told the Central Criminal Court yesterday he might have been duped by Israeli intelligence operating in Syria.

Nezar Hindawi, aged 32, a journalist, of no fixed address, told the court he believed he and his girl friend, Miss Ann Murphy, also aged 32, had been "trapped" last April.

A bomb was found in Miss Murphy's luggage at Heathrow Airport. Mr Hindawi said the bomb, found in a bag he gave to Miss Murphy, might have been put there by El Al security staff or Khalid Dandesh, the man he claimed had recruited him in Damascus to arrange drug smuggling.

Yesterday, the second day of his cross-examination by the crown, Mr Hindawi told Mr Roy Amlot, for the prosecution: "Maybe Khalid Dandesh is a Mossad agent. I do not know. I understand that me and Ann Murphy, we have been trapped." He said drugs had become a bomb, and Mr Hindawi said perhaps Mr Dandesh had done that for some political reason.

Asked by Mr Amlot why Mossad should choose him, Mr Hindawi said: "I now ask myself this question."

He told the court: "I do not know it is a bomb. If I know, I would not carry it. I would not agree with it."

Asked about interviews with the police, Mr Hindawi denied telling them he had formed a political party, but said he was a member of an organization called the Jordanian Revolutionary Movement for National Salvation.

Mr Amlot asked him if he was the organization's leader, and he said he was not. He refused to say who was.

Mr Amlot said: "Basically do you want a free Palestine?"

Mr Hindawi said he did. Mr Amlot asked him if violence could be used to achieve that aim, and Mr Hindawi said: "In the organization, there is no interest about any problem outside Jordan."

Mr Amlot said: "It is a very simple question. Are you prepared to use violence to achieve your aim?"

Mr Hindawi said "no".

Mr Gilbert Gray, QC, for the defence, in his re-examination, asked Mr Hindawi why Mossad could have been involved rather than the Syrian secret service.

He replied: "Syria is a very strong country in the Middle East and will not do such operations because it will be against Syria and lose its support and relations with the rest of the world over such an operation."

The hearing continues on Monday.

Safety fine

An Enfield company was fined £1,500 at Tottenham court yesterday after the death in April of Mrs Irene Basire, aged 60, an employee crushed beneath a lorry trailer in a loading bay. Belling and Company Ltd were found guilty of failing to ensure her safety.

Portfolio - Gold - Two share daily prize pool

Two readers shared the Portfolio Gold prize of £4,000 yesterday.

Mrs Hazel Talbot, aged 63, of St Albans, Hertfordshire, has played Portfolio Gold since it started in *The Times*. "I am surprised and delighted," she said.

Asked what she intended doing with the prize money, Mrs Talbot said: "I'll save some, spend some, and give some away."

The other winner is Sir Derek Mitchell, a company director aged 64, of Putney, south-west London.

Portfolio Gold cards are available by sending a stamped addressed envelope to: Portfolio Gold, *The Times*, PO Box 40, Blackburn, BB1 6AJ.

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| MUSQUASH JACKETS | £795 | £159 |
| MINK JACKETS | £895 | £179 |
| LYNX DYED FOX JACKETS | £995 | £199 |
| SILVER FOX JACKETS 1 LENGTH | £1295 | £299 |
| FULL LENGTH COYOTE COATS | £1695 | £349 |
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Solicitors told they must lead the way in mixing of professions

By Frances Gibb, Legal Affairs Correspondent

Solicitors were deeply divided yesterday over the issue of partnerships with other professionals as called for by the Director General of Fair Trading at their annual conference in Torquay.

Sir Max Williams, a past president of the Law Society, told solicitors that mixed partnerships were inevitable and they should lead the way.

Solicitors must "get their act together" and "get up front to lead the way" in setting standards which were acceptable for such partnerships.

There were already proposals, he believed, from the Institute of Chartered Accountants to allow solicitors to hold 30 per cent of the shares of chartered accountants, excluding audit work.

Two years ago, Sir John Dugdale, Master of the Rolls, had put forward the idea of mixed partnerships in the public interest and now it had come up again.

There are the stated objectives of this Government that in the public interest there should be conglomerates," he said.

He added that some solicitors might want to remain independent, but said: "They will not be able to prevent the law from permitting mixed partnerships."

Some of the dangers of such partnerships, in particular the possible threat to legal aid work, were put by Mr Derek Bradbeer, the Law Society's

vice-president, who said that the arguments for such partnerships were commercially oriented.

Once in a mixed partnership with other professionals there was a risk that the other partners would say: "You cannot go on dealing with legal aid and unmet need. We are not making any money on it; in fact we are making a loss on it."

He added: "Is it not going to result in that section (of work) being done by an embryo legal service?"

Solicitors were speaking at one of the key sessions of the conference, on the future of the profession.

Mustering their forces in the face of the threat of losing work to banks, building societies and advice bureaux, they called for the Law Society to launch a national advertising campaign to promote the services of the independent lawyer.

Under government proposals financial institutions will soon be able to employ solicitors to do conveyancing and possibly other legal work where there is no conflict of interest.

Proposals are also being considered by the Government to stop solicitors giving free legal advice under the legal aid scheme and to give that job to Citizens' Advice Bureaux and other advice centres.

Mr Philip Ely, a council

member, said: "There is a serious and identifiable threat to a major sector of the profession's work which in no way should be under estimated."

However he said there was a majority view that it would be impracticable and undesirable to try to stop solicitors being employed by financial institutions.

There was also strong support among solicitors to be allowed to do work under the American-style system of "payment by results", or contingency fees.

Mr Eugene Thomas, president of the American Bar Association, said that such a scheme did enable cases to be taken up which otherwise lawyers would not have been prepared to handle. But there had to be safeguards.

He described the "ruthlessness and hustling" when lawyers descended on Kansas City seeking work after the collapse of a hotel, behaviour that had resembled scenes after the recent Bhopal disaster in India.

Their offers had become "more and more outrageous" until they were finally offering to pay clients to be allowed to take on their cases.

Legal aid fees 'should go up'

A tougher stance in the fight for the legal aid budget was needed from the Lord Chancellor's Department, the chairman of the Bar said yesterday.

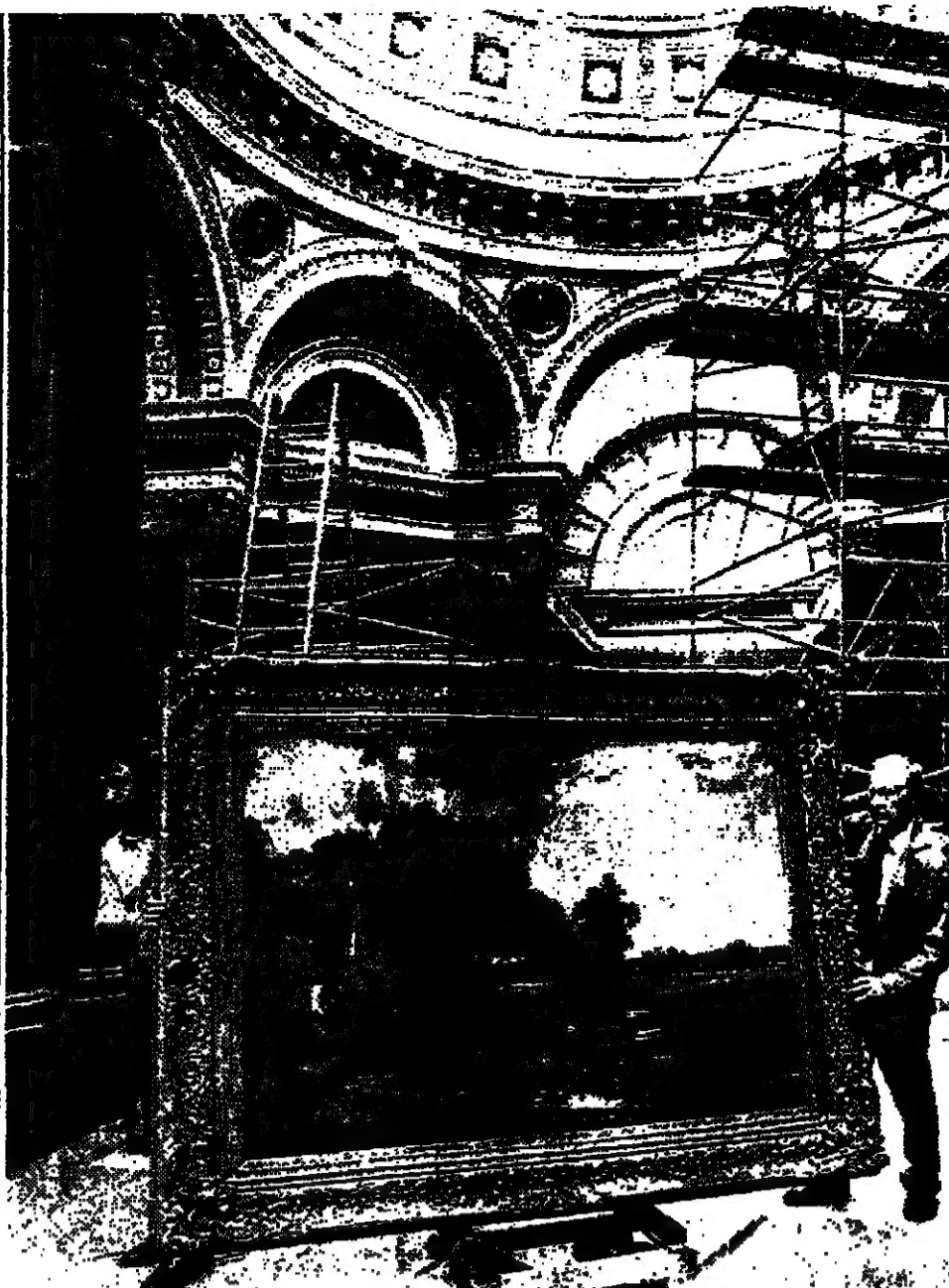
Mr Robert Alexander, QC, told solicitors at Torquay: "We are often told that legal aid is the fastest growing social service."

There were, however, less frequent reminders that legal aid was still less than "one quarter of per cent of the total of public expenditure."

Legal aid was crucially dependent on the "Lord Chancellor's Department fighting for a budget with the skill and determination that is shown by other spending ministries."

Referring to the new round of talks on legal aid fees starting between the profession and the Government, Mr Alexander said he hoped the Government would be "genuinely committed to the principle of fair remuneration."

Fees were still too low to ensure the preservation and improvement of the standard of service. "People of quality must be attracted to and given the incentive to stay in criminal practice."



Constable's "The Hay wain" is wheeled into the Dome Room (Photograph: Bill Warhurst).

Gallery's grandeur restored

By Gavin Bell, Arts Correspondent

Patrons of art will soon be able to appreciate the original grandeur of what a correspondent of *The Times* described as a "brilliant vista" more than a century ago, after a big restoration project at the National Gallery.

Workers have been putting the finishing touches to a two-year refurbishment of the gallery's finest suite, the Dome Room and its four vestibules, designed by E M Barry in 1876.

Roofs and plasterwork which had seriously deteriorated have been entirely replaced, and an automatic sun-

screening device has been incorporated in what is described as one of the most sophisticated lighting systems in the world.

The vast ceilings have been decorated with oils and more than 3,500 books of gold leaf, and Suffolk weavers have produced more than 1,000 metres of cotton damask for the rich wall-hangings.

The rooms, to be opened to the public on October 30, will house a new display of the gallery's finest eighteenth and nineteenth century paintings by British artists including Constable, Turner, Reynolds and Gainsborough.

The collection includes a group of important works returned by the Tate Gallery, including Hogarth's large group portrait, "The Graham Children", and one of Gainsborough's last landscapes, "The Market Cart".

The gallery says the overall effect will be to recreate the splendour which inspired *The Times* reviewer to laud "the brilliant vista" opened out through green marble columns with richly gilt Corinthian capitals, supporting the gorgeous dome and lantern of the central octagonal hall with its pavement of marble inlay.

'Spy' will take EEC cash offer

Mr Stanley Adams, the Briton who exposed illegal price-fixing by the Swiss drugs firm, Hoffman La Roche, but was then jailed, yesterday "reluctantly" accepted a £200,000 compensation offer from the EEC.

Last month he had rejected the offer, describing it as "miserable and foolish" considering his financial losses, his imprisonment and his wife's suicide.

He has since received a letter from M Jacques Delors, the EEC president, telling him to accept the offer or face going back to court, which could take even more years to resolve the matter.

Mr Adams, aged 59, said that the compensation - £100,000 for mental anguish and £100,000 for economic loss - would hardly cover his debts. He had hoped for £3 million.

"I remain convinced that on both legal and moral grounds I was entitled to much higher compensation," he said.

In 1973 Mr Adams disclosed to the EEC illegal price fixing at Hoffman La Roche, where he had worked. That led to the firm being fined £215,000 for breaking Community trade laws.

But he was exposed as the "mole" and arrested in Switzerland for industrial espionage.

His wife, aged 31, killed herself after a Swiss police officer told her that her husband could face 20 years in prison.

Mr Adams was released on bail after three months and later given a one-year suspended sentence.

Last November he won an historic victory in the European Court of Justice in Luxembourg - the first time the court had supported an individual's case against the EEC executive for breach of confidence.

Park murders

Five more witnesses have come forward to help police investigating the murders of two Brighton schoolgirls, as a result of the reconstruction of the girls' last movements staged on Thursday.

All are helping to build descriptions of two youths who were seen running from the park where Nicola Fellows, aged 10, and Karen Hadaway, aged nine, were sexually assaulted and strangled. Detectives believe that finding the youths is vital.

Sussex police used two school friends of the murdered girls to retrace their last known steps around the Moulsecomb estate where they lived and Wild Park, near by, where they met their deaths.

As the reconstruction took place on the main A27 Brighton to Lewes road, 300 officers

Witnesses describe youths

By Michael McCarthy

stopped almost 5,000 cars and interviewed 18,000 people, including car occupants and passengers on buses.

Later on Thursday evening the BBC's *Crimewatch* programme showed a dramatized version of the girls' final movements.

It was believed to be one of the most comprehensive efforts ever made by a police force to jog the public's memory about the circumstances of a crime and yesterday it began to bear fruit.

Five more people were in contact with the murder squad to say they too had seen the youths running from Wild Park on the night of the killing, first reported by a woman out walking her dog.

Their information was being added to the file on the young men, who were casually dressed in jeans and

High pay lure cuts specialist applicants

By Jill Sherman

The financial rewards of private medicine are causing an acute shortage of applicants for medical posts in certain specialties. Sir Raymond Hoffenberg, president of the Royal College of Physicians, said yesterday.

Many consultants combining National Health Service and private practice could command salaries of up to £250,000 a year, while their counterparts in academic medicine were earning an average of £26,000 and a maximum of £50,000, he said.

Consultants were particularly attracted to lucrative specialties such as ophthalmology, gynaecology and obstetrics, some types of surgery and cardiology.

"There are professor of surgery posts going in the UK which are not attracting people of adequate academic calibre. We are asking people to make a tremendous financial sacrifice," Sir Raymond said.

The disillusionment with academic research was exacerbated by the lack of parity in salaries between NHS and university-funded posts. "Between 30 and 40 per cent of patient care is carried out by academic units, and the majority of NHS consultants also contribute to teaching."

In the past few years, nearly 25 per cent of academic posts had been cut because of financial restraints on both the NHS and universities. "Junior doctors are spending most of their time picking up the clinical load and there is no time for research."

Sir Raymond said present policies of reducing junior doctors and increasing the throughput in NHS beds were leading to a breakdown in the partnership between academic medicine and the NHS.

"We are now reducing junior doctors in university and research posts, not because of financial constraints but because there are too many doctors in training and too few consultants to supervise them," he said.

Increased throughput, more emphasis on outpatient care, rather than expensive hospital beds, and immediate discharge were critical for medical students.

HOUSE OF LORDS

October 17 1986

Appeal for curb on 'vicious' protests

WAPPING

The sooner big demonstrations at Wapping ended, the sooner Londoners would get the standard of policing they deserved. There was no relationship between what was going on at Wapping and peaceful picketing, the basis of the right to picket, Lord Harris of Greenwich, (SDP) said during exchanges about the dispute between News International and print trade unions.

Lord Malsbrough, for the Opposition, said that Labour would always support the right to lawful peaceful picketing and would always oppose violence and hoodlums.

The Earl of Caithness, Minister of State, Home Office: "He and the Government are on common ground."

The Earl of Caithness said earlier that 393 police officers had been injured in the dispute and 900 people had been convicted of offences connected with it.

"In this country there is a long tradition of peaceful protest within the law, but it is very clear that some of those taking part in these demonstrations have attended with the intention of committing and provoking violence. The way forward lies in sensible co-operation between the police and responsible trade unionists organizing such demonstrations to reduce disorder and prevent violence, which only the trouble-makers want."

Lord Harris of Greenwich: "This vicious hoodlums has gone on for many months and is beginning to have a profound effect on the quality of policing throughout the Metropolitan Police district because of the call on resources. The sooner responsible trade unionists cease calling for large-scale demonstrations, the sooner the citizens of this city will have the quality of policing they deserve."

The Earl of Caithness: "The level of violence has been substantially reduced since August and I hope that responsible members of trade unions will cooperate to keep violence to the absolute minimum, preferably at none at all."

Lord Paget of Northampton (Lab): "The person responsible and the cause of all this trouble is a person who has set out to upset the established customs of an industry and to disrupt the working lives of many thousands of people. The Government should be trying to find means to curb the actions of the Murdoch type." The Earl of Caithness disagreed.

Firm refuses to reply to Government

J E Hanger, the company involved in the dispute in which 300 workers at Roehampton who make artificial limbs have been dismissed, have refused to give the Government substantive replies to a number of questions about what arrangements they are making to maintain supplies, Lady Trampington, Under Secretary of State for Health and Social Security, said in the House of Lords. The Government did not envisage that any dispute would be the immediate cause of a crisis in the supply of artificial limbs as a result of the dispute, in which her department was not involved.

Lord Cledwyn of Penrhos, Leader of the Labour peers, said that for the minister to say that the dispute was a matter for company and employees was a philosophy of despair.

Lady Trampington said that the company had initiated legal proceedings against the Government to compel it to give a further contract. The Government could not intervene in those circumstances.

More Bills to start in the Lords

By Sheila Gunn

More Government Bills will be started in the House of Lords in the next session of Parliament to pave off a repetition of this summer's logjam.

Small committees of peers are also likely to be set up to look at Bills in detail.

These two tactics are expected to be used to defuse the unrest among peers in the wake of two weeks of late sittings with another arduous two weeks to come.

Looking back on the session, the Government made an unfortunate choice in the Bills it started off in the Lords. The Shops Bill, to legalize Sunday trading, was debated fully in the Lords only to fall in the Commons. The Education Bill, which began as a modest measure to alter the composition of school governing bodies, was turned, by the moral right, into a vehicle to erase political indoctrination and to legislate on how sex is taught.

Government sources now recognize it might have been better to give peers a first look at the Financial Services Bill, which is being virtually rewritten in the Lords.

Bills of a sharply political nature will not be started there, but those concerned with banking or legal affairs would be a natural choice.

Lord Whitelaw, Leader of the Lords, consoled peers yesterday by arguing that their hard work confirmed their role as a revising chamber.

Adverts for the legal eagles

Solicitors will soon be able to advertise their services on television, t-shirts or by skywriting, provided it is in good taste. They will also be allowed to name their clients, with their consent, in advertisements.

The new freedom, outlined in a draft publicity code released yesterday, permits them to set up mobile offices, have stands at exhibitions or shows and use direct mail to publicize their work.

The changes will come into effect in the New Year if passed, as expected, by the Law Society council.

The guidelines of the draft code are based on proposals made earlier this year and have been studied by the profession. They do not allow advertisements to breach professional practice rules or advertising standards.

The society is in favour of a substantial relaxation of solicitors' rules on advertising, which until now have confined them to the press and to radio.

Yesterday's draft code incorporates those proposals and goes further.

Almost any form of advertising or publicity except unsolicited telephone calls, known as "cold calling" and knocking on doors will now be allowed. Solicitors will be able to put inserts in free newspapers and to join with other solicitors for "flag" advertising and one logo or name.

But while they will be able to use advertising such as "a speedier service" their claims must not compare the quality of service with that of any other solicitor or solicitors.

However, if a third party carries out a bona fide survey comparing solicitors' services, the results could be publicised.

Remand prisoner loses leg

A former Gambian attorney general had his leg amputated after contracting gangrene while on remand in Wormwood Scrubs Prison, west London, a court was told yesterday.

Muhamadu Saho was to have appeared before Bow Street magistrates for committal proceedings on charges of obtaining £20,000 by deception; but the case had to be adjourned to October 23.

Mr Michael Sayers, for the defence, told the court that Mr Saho, aged 55, an MP in Gambia's ruling People's Progressive Party, was taken to Hammersmith Hospital on Thursday night where the operation was done to prevent the spread of gangrene.

Aldermaston at standstill

Work stopped at the Atomic Weapons Research Establishment at Aldermaston in Berkshire yesterday when 150 safety officers were sent home after withdrawing safety cover at the base.

Their spokesman said: "It's not something our members did lightly. But we have been pressing since 1983 for extra pay, on environmental grounds for going into Aldermaston."

Label action adjourned

The libel action brought by Mr Neil Hamilton, Conservative MP for Tatton, Cheshire, against the BBC over allegations that he was branded as Fascist, racist and anti-Semitic was adjourned yesterday until Monday to allow out-of-court talks to continue.

The development came on the fifth day of the action brought by Mr Hamilton over a *Panorama* edition in January 1984 which linked him with an extreme right-wing group.

Painting find

An oil painting, which had been used to wallpaper the ceiling of a farmhouse, was sold for £36,000 yesterday. The 180-year-old painting of exotic birds was discovered by Mr Anthony Marriott, an art dealer.

Help line to assist heads under stress

By Mark Dowd, Education Reporter

Headteachers in north London are setting up a telephone support scheme to cope with increasing stress and isolation at work.

A leaflet is being circulated in the London Borough of Islington, giving details of the new "Headline" service, which urges head teachers to pick up the telephone and contact a colleague.

The resort to collective self-help is the product of a combination of factors: the alarming turnover in the number of head teachers, a feeling of lack of support from the Inner London Education Authority (ILEA), and strained relations between staff and heads after the 18-month teachers' pay dispute.

Teacher is jailed for assaults on pupils

A deputy headmaster who took teenage boys from his school away for nights at hotels and then indecently assaulted them was jailed for 18 months by Warwick Crown Court yesterday.

John Fox, who has resigned from his post at Higham Lane secondary school in Nuneaton, Warwickshire, was sentenced by Judge Harrison-Hall.

Fox, aged 45, of Burton Hastings, near Nuneaton, admitted nine charges of indecent assault on five boys aged between 13 and 16 during the past five years.

Mr Christopher Metcalfe, for the prosecution, said that in each case Fox got permission from the boys' parents to take them away by falsely claiming he was doing historic research for the BBC.

The offences came to light in May when a boy aged 15, terrified by what happened, left a hotel room in Yorkshire and phoned his parents, who collected him and told the police.

Mr Trevor Faber, for the defence, said: "He feels shame and regret. He was a schoolmaster in a position of trust abusing that trust."

Mr Adams was released on bail after three months and later given a one-year suspended sentence.

Last November he won an historic victory in the European Court of Justice in Luxembourg - the first time the court had supported an individual's case against the EEC executive for breach of confidence.

Sale room

underestimated by Sotheby's: the mountains are etched against the sea, which is full of ships and fishes.

A tondo painted with the "Agony in the Garden" by Viktor, a seventeenth-century Cretan artist who is believed also to have worked in Venice, sold for £22,000 (estimate £25,000 to £40,000) while a sixteenth-century Cretan "Mother of God of Tenderness" made £17,050 (estimate £10,000 to £15,000).

The sale totalled £376,057 with 23 per cent left unsold.

Christie's sale of English pictures saw strong prices for sporting pictures but there was little interest in lesser portraits: some expensive works which had been left unsold in grander sales again failed to arouse interest.

The sale made a total of £189,310 with 29 per cent left unsold. An attractive picture by George Armfield, entitled "A Dandie Dinmont and two Cairns rabbits", had been reproduced on the front of the

catalogue and attracted enthusiastic attention, selling for £12,100 (estimate £3,000 to £4,000).

An important Scottish history painting, "John Knox admonishing Mary Queen of Scots" by Sir William Allan, sold for £8,800 (estimate £3,000 to £5,000). A small replica of the picture is included in the "Golden Age" exhibition of Scottish painting at the Tate, which no doubt helped the price.

The painting at Christie's was the prime version (26 in by 38 in) and dates from 1829.

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WORLD SUMMARY

US and France in terrorism deal

France and the United States, reaffirming their resolve not to cede to terrorist blackmail, have agreed on secret joint action against groups holding their citizens hostage in the Middle East (Our Foreign Staff writes).

The French Security Minister, M Robert Pinard, paying a three-day visit to Washington for talks with US government officials, declined to elaborate on the deal.

The Italian Chamber of Deputies is expected soon to nominate members of a new parliamentary commission of inquiry into terrorism.

The establishment of the commission was agreed by 372 votes to 61 after proposals by Christian Democrats and Communists and two smaller parties of the left.

Several bombs exploded overnight on the French Mediterranean island of Corsica, damaging property and slightly injuring a caretaker.

South Pole hunt

Moscow (Reuters) — A Soviet ship trapped in Antarctic pack ice for 133 days last year is preparing to lead a search for a Soviet research station which has disappeared near the South Pole.

The station, "Friendly 1", was reported earlier this month to have disappeared after the ice-floe on which it was standing in the Davis Sea split apart, leaving a channel of water some nine miles wide. It was unmaneuvered at the time.

Scientists are still trying to locate the station using satellite photographs. If found, vessels led by the Mikhail Somov, which last year went adrift in the ice-bound Ross Sea, will try to salvage the geological research station's valuable equipment.



Alfonsín award

Strasbourg (AFP) — President Alfonsín of Argentina (left) was presented with the Council of Europe's human rights prize in a ceremony here yesterday — the first time the award had been made to an individual.

President Alfonsín was awarded the prize for his efforts to restore normalcy in Argentina on becoming the first civilian president after the reign of the military junta between 1976 and 1983, when around 10,000 people are said to have been killed or to have disappeared.

Afghan appeal

Washington — Five defectors from the Soviet Army in Afghanistan appealed to President Reagan for asylum in the West five months ago but have not yet had a reply, according to a Democrat lobby group (Michael Binyon writes).

The State Department confirmed that the White House had received their letters, but said that the men were still in the hands of Afghan guerrillas.

Sanctuary destroyed

Delhi — Bharatpur, northern India's famous grassland and forest bird sanctuary 106 miles from Delhi, has been reduced to ashes by irate villagers who have been stopped from grazing their cattle in the area (Kuldip Nayar writes).

Flocks of pelicans and storks are now roaming the countryside, and most birds have taken shelter at trees some distance from the sanctuary.

Ex-minister accused

Delhi (Reuters) — The ruling Congress Party has suspended a former Cabinet minister, Mr Pankaj Chandra Sethi, for what it called anti-party activities.

Mr Sethi, aged 66, who served as Home Minister under Mrs Indira Gandhi, has been asked to explain why he should not be expelled from the party, a spokesman said.



Buffalo braves: Young Thai jockeys galloping neck and neck in the sprint to the finishing line in the annual buffalo races at Chon Buri, 50 miles east of Bangkok. Run on the full-moon day of the eleventh lunar month, they draw enthusiastic throngs to the festival.

Shamir forms Cabinet

From Our Own Correspondent Jerusalem

Mr Yitzhak Shamir wrote formally to President Herzog of Israel yesterday telling him he has formed a new Government. The notification was sent after he signed a pact with Mr Shimon Peres settling differences which have held up the transfer of power for a week.

Mr Shamir should have taken over as Prime Minister last week. It will now be Tuesday before he moves into the office Mr Peres has occupied for the past 25 months.

That extra week has cost Mr Peres dearly. The pact he signed shows that he lost out on all the issues over which he had delayed the handover of power. He must sit in Cabinet with a Minister he dismissed and he will not have final say on the choice of an ambassador to the US.

He has been assured that his Cabinet agenda proposals will have priority and that he or a party Cabinet colleague will approve all economic measures. But overall Mr Peres lost his first trial of strength since his resignation and he has lost some of the credibility he has laboriously built up during his 25 months in power.

Mr Yitzhak Rabin, the Defence Minister and former Labour Prime Minister, has made it plain that he is prepared to challenge him for the party leadership before the next election.

Mr Peres had to give up power as 63 Knesset members said they would support Mr Shamir as Prime Minister; this was more than enough to meet the minimal number needed to form a government.

Israelis tell how they rescued downed airman

Pilot clung to skids as helicopter dodged gunfire from militias

From Ian Murray Jerusalem

It was the 13th in this year's series of what Israel describes as "routine raids on terrorist bases in Lebanon". The four Phantom jet crews taking part probably never gave a second thought to the fact that 13 is an unlucky number.

They came in low on their bombing run over the Christian village of Maghdouche, just on the edge of the coastal plain below Sidon. Ahead was the refugee camp of Michel, a well-defended stronghold of the Palestinian Liberation Organization (PLO) loyal to Mr Yasser Arafat.

His spokesman in Cairo claimed credit for the grenade attack on a group of soldiers and civilians outside the Old City walls of Jerusalem. That attack caused more casualties than the Israeli Army suffered during the Six Day War in 1967, when the Old City was captured from Jordan.

The raid on the PLO stronghold may have been what officials' spokesmen call "routine" and part of an ongoing policy, but the pilots must have been aware that their country was looking for swift vengeance.

As has become more and more usual as the raids have become more and more "routine", the pilots had to go in against a huge barrage of anti-aircraft fire. On the ground the militia was prepared for a retaliatory raid and artillery handguns and shoulder-launched Sam 7 missiles were ready as the Phantoms screamed in.

On this 13th raid one pilot's luck ran out. A missile, a shell,

or perhaps even a single bullet smashed into his Phantom. "I just don't know what hit me," he later said at his debriefing.

He fired his ejector seat, automatically doing the same for his navigator who was sitting above and behind him.

A television crew filmed the moment that the two seats blasted out of the stricken aircraft — the pilot hurtled nearly 100 yards forward and upward, the navigator shot back.

The pilot was saved by a sophisticated piece of equipment on his belt. Known as Sara (Search and Rescue Apparatus), it is an Israeli improvement on an American design. Its signal was picked up by receivers, possibly mounted on Israeli gunboats.

Another signal, probably from the navigator's Sara, was picked up intermittently before it faded completely.

wards for a similar distance. As the parachutes billowed the camera crew's microphones picked up sounds of the militia blasting rapid fire up at the airman as the crewmen swung helplessly back and forth in their harness.

The film caused deep anger among the military here. One senior officer sat watching the picture of the men drifting down into the gunfire. "And they talk to us about Geneva Conventions and all that stuff," he said angrily.

A copy of the film was "captured" by Israel as it was beamed by a satellite out of Damascus. Yesterday it was being studied by military intelligence officers here for any clues as to what had happened to the aircraft and, more immediately important, what had happened to the aircraft's navigator.

The pilot landed unharmed

save for the bruise caused by the explosive thrust of his ejector seat. Although the militia were within easy range of his landing point they were out of sight in the wild countryside. He rapidly pulled off his parachute and hid among the rocks and bushes. It was 4.30 and there was another hour of daylight left before he could hope for darkness and rescue.

The signal from his "Sara"

his head. By now he was in dangerous rocky countryside and there was no way the little machine on his two runners could land safely. His two man crew delicately brought it down to within a yard of the ground and the pilot hauled himself on to the undercarriage and hung on grimly.

Still hugging the ground and dodging the militia the Cobra swung back down the hillside and out to the sea shore. It landed in a safe spot and the pilot thankfully released his muscle-breaking hold.

But there was no room for him in the Cobra. There was no alternative but for the pilot to make the rest of the journey outside on the runners. This time, at least, there was time to strap him on so he would not have to hang on for grim death.

Then, with gunfire still being exchanged between the off-shore gunboat and land-based militia positions, the Cobra made out to sea again and turned south, skimming the waves for the 35-mile journey back to the Israeli border at Rosh Hanikra.

For six hours after the rescue the Israeli military censor refused to confirm anything about the dramatic story. For all that time other helicopters were combing the hillsides for any sign of the navigator. Only when the search was called off was the story released.

"We will do anything to get our men back," a military spokesman said. "Our men are very precious to us and that is our weakness."

Egypt rebukes Arafat mission

From Robert Fisk Cairo

The Egyptians have delivered a formal if not very convincing rap over the knuckles to the PLO's mission in Cairo for claiming the Egyptian capital that its forces had carried out the grenade attack at the Western Wall in Jerusalem which killed an Israeli and injured 69 others on Monday.

Mr Osama al-Baz, the Egyptian First Foreign Under-Secretary, has made a mild complaint to Mr Said Kamal, of the PLO office in Cairo, adding that his Government disapproved of such statements being made in Egypt.

At a time when Egypt is trying to restore good relations with Israel after its territorial dispute over Tabu, Mr al-Baz's reprimand was inevitable. However, the PLO, which telephoned news agencies on Monday to publicize its "heroic" attack on soldiers and civilians in Jerusalem, has not taken it seriously.

The Egyptians have let it be known that they do not oppose such actions inside Israel or the occupied West Bank and Gaza — only when they are directed against Western targets elsewhere in the world.

Such apparent contradictions in Egyptian policy are not difficult to understand.

Egypt has spent eight years trying to re-establish itself at the epicentre of the Arab world and to convince its Arab neighbours that it remains at the vanguard of the struggle for Palestinian rights despite the Camp David agreement with Israel.

While they cannot disguise their diplomatic ties with Israel, Egyptian officials see no harm in demonstrating their support for the PLO "armed struggle" however tacitly this may be done.

Nor is there any criticism of the PLO in the Egyptian press. Not only did the daily papers here report Mr El-Baz's "routine" meeting with Mr Kamal — without giving any details of their conversation — but at least one, the semi-official *Al Gomhouriya*, attempted to justify the Jerusalem killing and wounding.

"This escalation, although it gives the Israeli troops a reason to assault and arrest a large number of Arab inhabitants, once again brings back to our minds that there is a homeless people, dreaming of peace and stability on its land," the paper's editorial said. "Peace will remain an impossible dream without a resolution of the Palestinian issue."

Superpower arms control talks

Carrington moves to soothe Nato generals' tempers

From Peter Davenport, Defence Correspondent, Brussels

The Secretary-General of Nato yesterday moved to defuse the row over arms control between its senior military commanders and the US Administration.

Lord Carrington, speaking at Nato headquarters, denied that officers had been kept in the dark about proposals to the dark about proposals to the Soviet Union and said he was "surprised and puzzled" at the claims. He said that the military concentrated on military matters, and politicians had other issues to consider.

He was commenting on remarks by General Hans-Joachim Mack, a deputy to the Supreme Allied Commander in Europe, General Bernard Rogers, that Nato military head were not being consulted adequately about arms proposals and had not been informed of the details of the

Reykjavik summit meeting. General Rogers sent an angry protest to Mr Caspar Weinberger, the US Defence Secretary, but Lord Carrington said that the General had not raised his complaints with him. General Mack's remarks, made at SHAPE headquarters on Thursday, caused anger and puzzlement within Nato yesterday.

Lord Carrington, anxious to concentrate on more substantial issues of the arms control movement, said that the military was fully represented in all Nato structures and had been at the post-summit briefing given by Mr George Shultz, the US Secretary of State, earlier this week.

General Mack had expressed concern about the proposed zero-zero option on longer-range INF missiles in

Europe. He felt that measures should be considered to reduce Soviet stockpiles of shorter-range missiles as well as to reduce their superiority in conventional forces.

Lord Carrington said that Soviet superiority in shorter-range INF missiles should be considered; the Soviet Union should be prepared to withdraw them from Eastern Europe, but the Allies would have to be careful about linking the two issues.

They had been critical of Soviet insistence on linking arms reductions with abandonment of the US Strategic Defence Initiative.

● **ROME:** Mr Weinberger began talks here with Signor Giovanni Spadolini, the Italian Defence Minister, immediately on his arrival from Islamabad via Cairo yesterday

Kohl to offer Reagan Europe's INF ideas

From John England, Bonn

Chancellor Kohl of West Germany will fly to Washington on Monday prepared to congratulate President Reagan on his performance at the Reykjavik summit.

Despite the collapse of the talks over Mr Reagan's Strategic Defence Initiative programme, Herr Kohl says the two leaders achieved progress.

Herr Hans-Dietrich Genscher, the West German Foreign Minister, who will accompany the Chancellor, told the Bonn Parliament on Thursday that the summit had shown that both sides were able to "jump over their own shadows". It was now important to hold to the course that had been set.

Herr Kohl, who will be the first Western leader to meet Mr Reagan after the summit, will pursue this line in his talks on Tuesday. He will also

present Mr Reagan with German and European ideas for a separate agreement on medium-range missiles (INF) in Europe.

There is confusion in Bonn over differing statements this week by Mr Victor Karlov, the chief Soviet negotiator, and Mr Gorbachev, on an INF deal with or without linkage to an agreement on SDI. But government circles are said to believe an INF accord next year is quite possible.

Herr Kohl will encourage Mr Reagan to press the Soviet Union for a world ban on chemical weapons and for progress in talks on conventional arms controls. Other subjects on the agenda include the fight against international terrorism, development in the Middle East, and South Africa.

as a very expensive insurance policy.

Those caught in the middle, unable to decide whether the Icelandic saga was a good thing or a disaster, include most of America at the moment. Opponents of SDI were thrown off balance by the concessions it wrung out of Mr Gorbachev, and the result has been a greater acceptance here of the President's visionary shield than ever before.

SDI supporters, however, seem unable to decide whether the programme should be used to enforce huge ballistic missile cuts or should go ahead regardless.

How is the gap between SDI as the arms reduction engine and SDI as the unbalancer to be bridged? At the moment, while perceptions are in flux and both Washington and Moscow seem unsure of the next moves, the Administration has been trying to turn "what if" into "what now..."

The answer is far from clear, and an extraordinary delicate balancing act is going on to control the debate.

Baghdad hit by Iran missiles

By Our Foreign Staff

Iran confirmed yesterday that it had attacked the Baghdad telecommunications centre with ground-to-ground missiles.

The attack, on Thursday night, was in retaliation for earlier Iraqi attacks on civilian residential areas.

Iran said it would step up missile attacks and air raids on Iraqi towns and cities to make Baghdad pay for its "inhuman acts".

An Iranian missile killed six people and injured 64 when it exploded in a residential area of Baghdad on Thursday night.

The missile, the third to hit the Iraqi capital in three months, destroyed or severely damaged 28 houses around a crater 16ft deep and 30ft across.

A large hospital 400 yards from the impact site also suffered extensive damage, along with a mosque, school and kindergarten.

A large number of the injured were Egyptian and Sudanese workers who lived in the area. One child was killed and eight children injured.

The crew of a Panamanian tanker abandoned ship in the Gulf on Thursday night after it was hit by two shells or bombs.

The 12,804-tonne Five Brooks, on charter to Kuwait, was passing through the Strait of Hormuz at the mouth of the Gulf, on its way to Kuwait, when it was attacked.

Ankara reshuffles in bid for stability

From Rasit Gardilek, Ankara

Mr Turgut Ozal, the Turkish Prime Minister, reshuffled his Government as well as the hierarchy of his Motherland Party (Anap) yesterday in an apparent effort to contain the upheavals that followed the setbacks in last month's by-elections.

Anap saw its share of the vote depleted by almost one-third in the September 28 election. But it won 15 of the 11 seats to increase its majority to 237 in the 400-member legislature.

The full Cabinet list is: Prime Minister Turgut Ozal, Deputy Prime Minister and Minister of State Kayi Ertugrul, Ministers of State Kazim Gul, Justice Mahmut Oltun, Foreign Affairs Turgut Ozal, Defence Zaid Vayiz, Interior Yildirim Akbulut, Foreign Affairs Vahit Haliloglu, Finance and Customs Ahmet Kurbanoğlu, Transport and Communications Yusef Atalay, Agriculture, Forestry and Rural Affairs Husni Duden, Ministry of Communities, Urban Planning and Construction Celal Aral, General Directorate of Forestry and Hunting Mustafa Tuz, Education, Youth and Sports Mehmet Ersoy, Public Works and Urban Planning Sali Gurel, Health and Social Assistance Mustafa Kalemli, Culture and Tourism Mesut Yilmaz, Labour and Social Security Hakan Tascioglu.

Mr Hasan Celal Guzel, a favourite aide, is now a State Minister, replacing Mr Mesut Yilmaz, a former protégé, as Government spokesman.

Mr Yilmaz, accused of alienating the press, takes over the Tourism Ministry from Mr Mukerrem Tascioglu, who becomes Labour Minister in place of Mr Mustafa Kalemli, now Health Minister.

Mr Mahmut Oltun Sungur, an Anap deputy and a former jurist, is the new Justice Minister, while Mr Ali Bozer, a recruited deputy, gets one of the state ministries, whose number has been increased from seven to 10.

Earlier, Mr Ozal strove to put an end to the in-fighting between party factions. The existence of the factions are officially denied. Mr Yilmaz and Mr Sadi Pehlivanoglu had to yield their posts as deputy party chairmen to relatively obscure successors.

But Mr Mehmet Koceler, reputed leader of the domi-

nant fundamentalist faction, stayed on as one of the five deputy chairmen, despite his humiliating loss in the by-elections.

The True Path Party, backed by Mr Suleyman Demirel, a former right-wing prime minister, emerged as a dangerous challenger.

● **Ecevit trial:** Mr Bulent Ecevit, a former left-wing Prime Minister, is being tried on charges of taking part in active politics by addressing a campaign meeting of the Democratic Left Party led by his wife (AP reports).

Pretoria abolishes black township

From Michael Horsby Johannesburg

South Africa announced yesterday that it had "abolished" a black township in the western Transvaal to enable its 10,000 inhabitants to move to better conditions elsewhere.

At a press conference in Johannesburg, however, residents of the township said they were adamantly opposed to the move, and accused the Government of going back on a pledge to refrain from forced resettlement of blacks.

The township, known simply as the Old Location, is adjacent to the "white" town of Brits, 30 miles north-west of Pretoria. Most of its inhabitants work in Brits.

The Government intends to resettle all of them at Lethabale, about 12 miles away on the border of the Bophuthatswana tribal homeland. It is feared that eventually Lethabale will be incorporated into Bophuthatswana.

This lying down... We are not moving to Lethabale, even if it means violence," Mr Sello Ramakobye, secretary of the Brits Location Action Committee, declared.

A lawyer representing the committee, Mr Geoff Budlender, said the Brits constituency had become a marginal one for the Government, and that pressure from right-wing whites who did not like having blacks living on their doorstep was suspected of being the main reason for the move.

Term refuse
to reply to
Government

More Bills
start in
the Lords

Martens pulls back Belgian coalition from edge of collapse

From Richard Owen, Brussels

Dr Wilfried Martens, the Belgian Prime Minister, yesterday again proved his mettle as a political tightrope walker by apparently pulling his four-party Centre-Right coalition back from the brink of collapse over the aggravation of tensions between Belgium's Dutch- and French-speaking communities.

The crisis arose on Tuesday when, after a dispute over a dismissed French-speaking mayor, Dr Martens, a Flemish Christian Democrat widely seen as a symbol of Belgian unity and stability, offered his resignation to King Baudouin after despairing of a solution to coalition differences on the issue. But the King delayed his reaction to the resignation to give Dr Martens more time.

Yesterday the Palace announced that Dr Martens' resignation was being refused because a coalition collapse had been averted at the eleventh hour.

The Martens coalition of Liberals and Christian Democrats, which was re-elected a year ago, has run into opposition from trade unions to its economic austerity programme. Dr Martens has also survived controversy over the deployment of cruise missiles in Belgium.

In the end it was the language issue which brought his Government so near to disaster this week, to the surprise of those who had thought that outright hostility between Dutch speakers in Flanders in the north of the country and French speakers in Wallonia in the south was a thing of the past.

The origins of the crisis lie in the dismissal of Mr Jos Happort, mayor of the Fournons, a French-speaking enclave in a Dutch-speaking region near the border with the Netherlands. Mr Happort refused to speak Dutch and campaigned for the Fournons to be administered from Liege in Wallonia.

After intensive talks during the night, Dr Martens announced a special commission to find a long-term solution to the Fournons problem. As a short-term measure, Mr Happort has been replaced by Mr Roger Wynants, a bi-lingual Walloon, who will be acting mayor.

This outcome, however, could still be undermined by coalition disagreements and by violence on the part of extremists from both sides of the language divide. Yesterday feelings were still running high and Dr Martens despatched police and paramilitary gendarmes to the Fournons region.

Most Belgians are hoping that Dr Martens' manoeuvring will succeed. They applaud the skill of a man who has maintained that the Happort dispute is not important enough to threaten an otherwise successful coalition.

Since first becoming Prime Minister seven years ago, Dr Martens has made Belgian unity a top priority, presiding over the devolution of some powers to the regions. However, the transfer of economic and technical resources to Flanders has tended to rebound on Dr Martens, since it arouses resentment in Wallonia.



Dr Wilfried Martens: Made Belgian unity a priority

Danes to limit refugees

Copenhagen (AFP) — A law aimed at reducing Denmark's intake of refugees by at least half was adopted by Parliament yesterday.

Under the new legislation, asylum-seekers from countries deemed safe, such as Western Europe, will no longer be admitted, but those arriving

directly from countries where their life could be at risk will be granted temporary residence while the authorities look into their cases.

It is believed the Bill could cut the intake by between 50 to 80 per cent. Denmark accepted 7,948 refugees in the first nine months of this year.

Shultz inspects Salvador earthquake damage

Disaster wreaks new havoc on poor

From Paul Valley, San Salvador

It seemed a classic image. Between the two massive girders a whitened body was pinned, its head turned out from the debris of the flattened shopping complex, its arm and opened hand reaching towards the air. The rescuers could not free the body, so they painted it with lime.

International workers clambered on the roof of the crushed building, in front of which the US Secretary of State, Mr George Shultz, was giving a press conference. The air was heavy with the sweet and sickly smell of human putrefaction.

Yet this is not the reality of the earthquake. International attention has focused on dramatic scenes of shattered concrete and lurching buildings, but the true tragedy lies elsewhere.

The man detected beneath the wreckage of a six-storey department store by a British rescue team using a high-technology sonic device has been rescued and taken to hospital, where he was said to be in a serious condition.

where, with the 305,000 individuals who have been turned out to the streets or economically crippled.

The figure, which represents almost a quarter of the population, seems astonishingly high. It was released yesterday by the most reputable of the nation's charities, Fundesa (the Foundation for Minimum Housing and Development), a body so substantial that it can secure loans direct from the World Bank and to which the Salvadoran Government turned for data.

Its statistics show that it is the poor who are hardest hit. About 61,000 families have been made destitute; 29,600 of them once shared rooms in sub-standard tenements, 19,000 were squatters, 5,100 lived in shanty towns, 5,000 had already been displaced by war, and 1,500 lived in camps which they had occupied since the last serious earthquake destroyed their original homes in 1965.

Today they are living on the streets. They have erected shelters made of sticks, cardboard boxes and old plastic tablecloths.

Wherever you turn they occupy pavements, gaps between buildings and parks. They live on traffic roundabouts and in some cases have



President Duarte of El Salvador explaining the extent of earthquake damage to Mr George Shultz, the US Secretary of State, who visited the disaster area and promised US aid.

used rubble to cordon off a section of highway for their fragile improvisations.

At night they light tiny fires, around which adults huddle and sleepless children wander, dressed inconspicuously in filthy frocks and other garments never intended for life on the street. Old people sit, in bewilderment or resignation, on chairs or beds salvaged from the ruins.

Those women who have rescued a few pots and pans use them to warm tortillas donated by rural communities and ferried into town by charity workers.

By day the women wash clothes in potholes which have filled with water from broken pipes. They make pathetic improvements to their shelters with whatever materials the men dig from their homes.

The children queue for the few food handouts or for water from whichever pipe seems least contaminated.

It is the rainy season here, and the city's damaged hospitals are filling with babies with pneumonia, bronchitis and other respiratory illnesses and children suffering from severe gastro-enteritis and other serious diarrhoeal diseases. They are also taking in increased numbers of children who have been injured by cars on the streets which are now their home.

The leaders of these devastated communities have begun to complain that they are being neglected by the authorities, whose attention seems concentrated on the spectacular rescue scenes in the city centre.

They have protested, in as

pointed a way as most people dare in a society as repressed as democratic El Salvador, about the Government's decision to hand over the official administration of the relief and reconstruction effort to private sector committees which, they feel, will regard the poor as a low priority.

"There has been no food handed out. The water is three days late, and when it comes we will have to pay for it. The Mayor's office has produced nothing except a few blankets and a few pieces of nylon sheeting," said the leader of one of the groups of shantytown dwellers.

Fundesa estimates that almost half of the population of San Salvador is caught in this marginal existence. For people like them, an earthquake is only the latest emergency.

Low-key guerrillas pose a dilemma for high-tech Bonn

In the second of two articles from Bonn, Philip Jacobson examines the police use of high technology in reaction to the new generation of urban terrorists.

It seemed at the time like a stunning breakthrough. In West Germany's war against urban terrorism. In the late 1970s, a vast computer network at the Wiesbaden headquarters of the federal criminal police (BKA) was being programmed to maintain open files on each and every person suspected of having connections with the Red Army Faction.

Every scrap of information known about them would be fed into data banks for use by "target teams" assigned to hunt down one terrorist.

The touch of a key would summon up an astonishingly detailed profile. Everything from childhood pictures and the names of friends at school and university to dental records, fingerprints, sometimes even "voice prints" taken from tapped telephone calls. Did the suspect always phone mother on her birthday, eat regularly in certain restaurants, prefer a revolver to an automatic pistol? The answers were all in the BKA computer, that went by the nickname "the Kommissar".

To this day, security specialists argue about the effectiveness of West Germany's high-tech approach to combating terrorism.

Supporters maintain that the Kommissar's 10 million pages of information were worth an untold number of police man-hours as the original Red Army Faction guerrillas were slowly but surely tracked down, often abroad, and taken.

Critics point out that all the computers in the world can never replace classic detective work — pavement pounding, patient observation, the professional "nose" — and note that carelessness, arrogance and sheer luck still accounted for the capture of the majority of wanted terrorists.

Faced now with the threat of the "second generation" Red Army Faction, West Germany's security authorities find themselves in something of a dilemma. These new terrorists, explains Herr Alexander Prechtel, of the federal prosecutor's office, are usually much harder to pin down than their high-profile predecessors.

"We keep stumbling across people who have never been under surveillance before, never appeared in any file," he said.

One such group was discovered recently with detailed plans of a key government ministry in Bonn. "Where

they came from, who recruited and controlled them, remains a mystery," said Herr Prechtel. It is no easier for the security authorities to keep track on the faction's essential back-up system — the 200 or so sympathisers who provide safe houses, rent or meal cars, and spy on potential victims.

He added: "We suspect such people have steady jobs and live quietly in anonymous blocks of flats in the big cities. They don't drive flashy cars or chuck their money around like some of the old guard. It's really only by chance that they get caught."

Even so most experts in West Germany agree that

Terror in Germany Part 2

computers have a vital role to play in counter-terrorist operations, especially at an international level.

It is almost 10 years since the Kommissar was put at the disposal of the Italian authorities hunting the Red Brigades' gang which kidnapped and executed Signor Aldo Moro, the former Prime Minister.

That turned out to be a notably fruitless exercise, but there is now a clear need for swift exchanges of the sort of data which can trap wanted terrorists — advance notice of movements, the numbers of phony passports or forged driving licences, recent changes in appearance.

A recent example of practical co-operation along such lines is the telenote linking key offices in Bonn and Paris, the result of a growing conviction in both countries that the faction is co-operating with the terrorists of France's Action Directe group.

There is, however, an important factor inhibiting the spread of computerized police work in West Germany. For obvious historical reasons, the courts, political parties and the civil liberties lobby are exceptionally alert to any extension of the state's already substantial involvement in ordinary citizens' everyday life.

Herr Prechtel acknowledges such concerns, but warns that legal limitations already in force are affecting West Germany's ability to deal with the renewed faction threats.

He said: "The enemy is always one step ahead of us, always improving its capacity for terror. The state must try to keep up. Better a little loss of liberty now than a great deal in the future."

Concluded

Red Army Faction

First operation 1971, killing three US servicemen in bomb attack on Heidelberg army base.

Peak of terrorism 1977, "year of the big hit", with the murder of federal prosecutor and police escort, prominent banker and leading industrialist.

Since revival of operations in 1985, more than 50 bombing attacks on public buildings, factories, power lines and the like. At least six assassinations claimed.

Estimated hard core membership now 25 to 30, with 50 "active" supporters and approximately 200 other sympathizers.

Aquino has talks on local truce

From Keith Dalton, Manila

President Aquino of the Philippines met secretly with Communist rebel leaders on the central island of Panay yesterday to discuss a local ceasefire while talks on a national truce remain stalled.

"It's a breakthrough," a presidential aide said after he confirmed the meeting. It was the President's first face-to-face contact with rebel leaders who have been waging war for 17 years. The unannounced meeting in a Roman Catholic convent in Iloilo, 290 miles south of Manila, caught military officials by surprise.

Mrs Aquino met a rebel priest, Father Jose Torre, of the Communist-dominated National Democratic Front, and Miss Concha Araneta Bocala, a Communist Party official, in Panay where several hundred New People's Army guerrillas operate.

The next step is for the rebels to form a negotiating panel which will meet Government negotiators "in the shortest time possible," the Information Minister, Mr Teodoro Benigno, said at a press conference.

Mrs Aquino announced a 20 per cent increase in combat pay after meeting soldiers on the island before she met the rebel leaders.

Thai Army denies coup plan

From Neil Kelly, Bangkok

Assurances that the Thai Army is not planning a coup against the Government are being made privately by senior military officers about public speculation about warnings General Chavalit Yongchaiyudh, the Army Commander-in-Chief, has been giving the Government.

According to authoritative military sources, General Chavalit's statements, which included a warning that the Government was risking the loss of army support, were not threats, but reminders that the Government did have duties to the people and country.

General Chavalit said the Government would have army support only when it "took the right stand".

Military leaders and other groups have become increasingly dissatisfied with the performance of the Government since it took office two months ago. It appears paralysed, with Ministers unable to initiate urgent measures. The army commander has blamed "political conflict" for most of Thailand's problems. An indication of his dissatisfaction with the Government's performance was his request to the Prime Minister for a bigger role for the Army in economic management.

Politicians sidestep backwaters of Old Alabama

From Christopher Thomas, Eutaw, Alabama

Eutaw is a country town of a few hundred black people, poor to a fault and the heart and soul of Old Alabama.

The parents are the cotton pickers and farmhands, the children are the general labourers, the tractor mechanics and the casual workers. Election Day on November 4 will not stir this slumberous little place far from it.

Governor George Wallace, who is finally relinquishing domination of Alabama politics after 25 amazing years, is well known here and quite liked. But Eutaw is not about to grab its pencils to vote for his Democratic successor.

Nor, indeed, is it much bothered by Alabama's momentous Senate battle, the outcome of which will help to determine whether President Reagan gets his way on Capitol Hill for the next two years.

The busiest thing about Eutaw is the railway track, which cuts across the main street. Not a single election poster is to be found here,

despite the feverish pitch of campaigning and untold millions of dollars being expended. Old Alabama is simply not party to the quest for a new economic and political beginning.

Mrs Rosy Grice, who thinks she is about 73, lives near the railway track in a tin-topped wooden shack, and she is as far from the election campaign as she is from the Moon.

For all the emancipation, there are hundreds of places

like Eutaw where it is tempting to think that the vote is meaningless. Mrs Grice is typical of her generation in rural black Alabama because she can write her name and nothing more. She votes Republican but doesn't seem to know why, and is unaware that more than 90 per cent of black people vote Democrat.

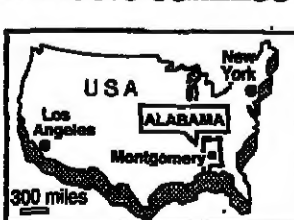
If she could read she would discover that the Republicans are paying virtually no heed to her or anybody like her in the

current elections. And the Democrats are courting her vote from a discreet distance for fear of alienating their traditional white base.

Eutaw is in the middle of the "black belt", an area to the west of Montgomery named as such for the composition of its population as for the colour of its rich soil. Today, many of the ancient cotton fields are growing soy-beans.

Rather than here, the politicians are to be found campaigning in the New South, with its shiny apartment blocks alongside the big commuter highways, and in the gritty, declining old factory towns like Birmingham.

Alabama is low-skill and low-wage, persistently overshadowed by the new technological and service economies of the Carolinas to the east and Texas to the west. Its image is all wrong, smeared initially by police dogs in the 1960s and by the racial politics of Governor Wallace in the 1970s. The latter's multi-racial conversion came too late; Alabama has a bad name among entrepreneurs.



The state's new Governor will almost certainly be Mr Bill Baxley, a Democrat and a conservative who is seen as a populist in the Wallace tradition. He tells people to back Alabama instead of "attackin' cuffin' fussin' and pussyfootin' around all the time".

In the Senate battle the Republican incumbent, Senator Jeremiah Denton, faces a vulnerable re-election battle against Mr Richard Shelby, a Democrat in the House of Representatives. Senator Denton is a romantic figure, a real war hero who spent eight years as a prisoner in North Vietnam, the first POW to come home in 1973.

Not that Mrs Grice, who can afford neither television nor radio, has heard of him. But if he was a Republican, she said, he would get her vote.

Poles bar plea on sanctions

Warsaw (Reuters) — Polish government censors have refused to allow a Catholic newspaper to publish an appeal to the United States by Mr Lech Walesa, the Solidarity leader, for the lifting of all US sanctions, informed sources said yesterday.

A Cracow weekly intended to print the text of the appeal with a list of its signatories.

Death blaze

Moscow (Reuters) — A steward on a Soviet train has been jailed for 10 years for accidentally causing a fatal fire with a cigarette while he was drunk, the trade union daily *Trud* reported.

Chess title

Moscow (Reuters) — Maya Chiburdanidze of the Soviet Union won the world women's chess title for the fourth time when her adjourned 13th game with compatriot Yelena Akhmylovskaya was drawn without a play-off. Tass reported.



Senator Jeremiah Denton, left, and his Democratic opponent, Mr Richard Shelby, in Alabama's Senate race.

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dilemma
-tech Bonn

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Part 2

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Thai Army
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SATURDAY

A weekly guide
to leisure, entertainment
and the arts

A film that danced into history

■ Michael Powell can permit himself a wry smile as he savours the fact that never in his half a century as a film maker has he enjoyed such critical adulation. Not that anyone ever doubted his talent. It was just that the films seemed perverse and eccentric and often tasteless.

■ But in the last 15 years or so Powell's reputation has moved steadily upwards. Pictures like *The Life and Death of Colonel Blimp*, *A Canterbury Tale* and *Black Narcissus* have been rediscovered and acclaimed as masterpieces. He has become the inspiration for a new generation of directors, from the American "movie brats", Scorsese and Coppola, to young British film makers like Julian Temple and Neil Jordan. At 81, Powell vies with Hitchcock as Britain's greatest director.

■ In an extract from his forthcoming autobiography, he describes the genesis of his most celebrated picture, *The Red Shoes*, and how he chose and wooed his leading lady.

In 1946 we had the world at our feet. J. Arthur Rank and his right-hand man, John Davis, impressed by half a dozen Academy Award nominations for *Black Narcissus* and by the success of *A Matter of Life and Death* in the States, were anxiously waiting to know our next subject — and what it would cost.

John and Arthur had created an empire with nothing in the treasury. Until they could go to the public and sell shares, they had to go to the banks, so it was with more than ordinary trepidation that they asked the formidable Archers (the production company formed by Powell and his partner, Emeric Pressburger) what was to be their target. They must have paled and looked at each other with a wild surmise when we answered them — "a film about ballet".

I can't describe the plot better than Lermontov does in the film.

Lermontov: The Ballet of the Red Shoes is from a story by Hans Christian Andersen. It is about a young girl who is devoted by an ambition to attend a dance in a pair of red shoes. She gets the shoes and goes to the ball. For a time all goes well, and she is happy. But at the end of the evening she is tired and wants to go home. But the red shoes are not tired. They dance her out into the street, they dance her over the mountains and valleys, through fields and forests, through night and day. Time rushes by, but the red shoes dance on.

Craster: What happens in the end?

Lermontov: Oh! In the end she dies.

On and around this beautiful tale, Emeric had spun a full-length screenplay for Alexander Korda's London Films in 1936 or 1937. For some time Alex had been looking for a script about a

ballerina for Merle Oberon and I think it may have been C. B. Sien who suggested the Hans Andersen story as a basis. Alex had known Emeric and his work since the days in Berlin, and once he had brought this brilliant combination together, the script made progress. But it was never produced.

Time passes by, life passes by, a war passes by and we are no longer an ambitious film director and an emigre Hungarian writer — we are the Archers.

Emeric said to me: "You know that script of mine that Alex has got?" It had all Emeric's usual charm and ingenuity and rather stronger character drawing than usual. But it was 10 years old, and the pre-war conventions of this kind of star vehicle showed up very plainly.

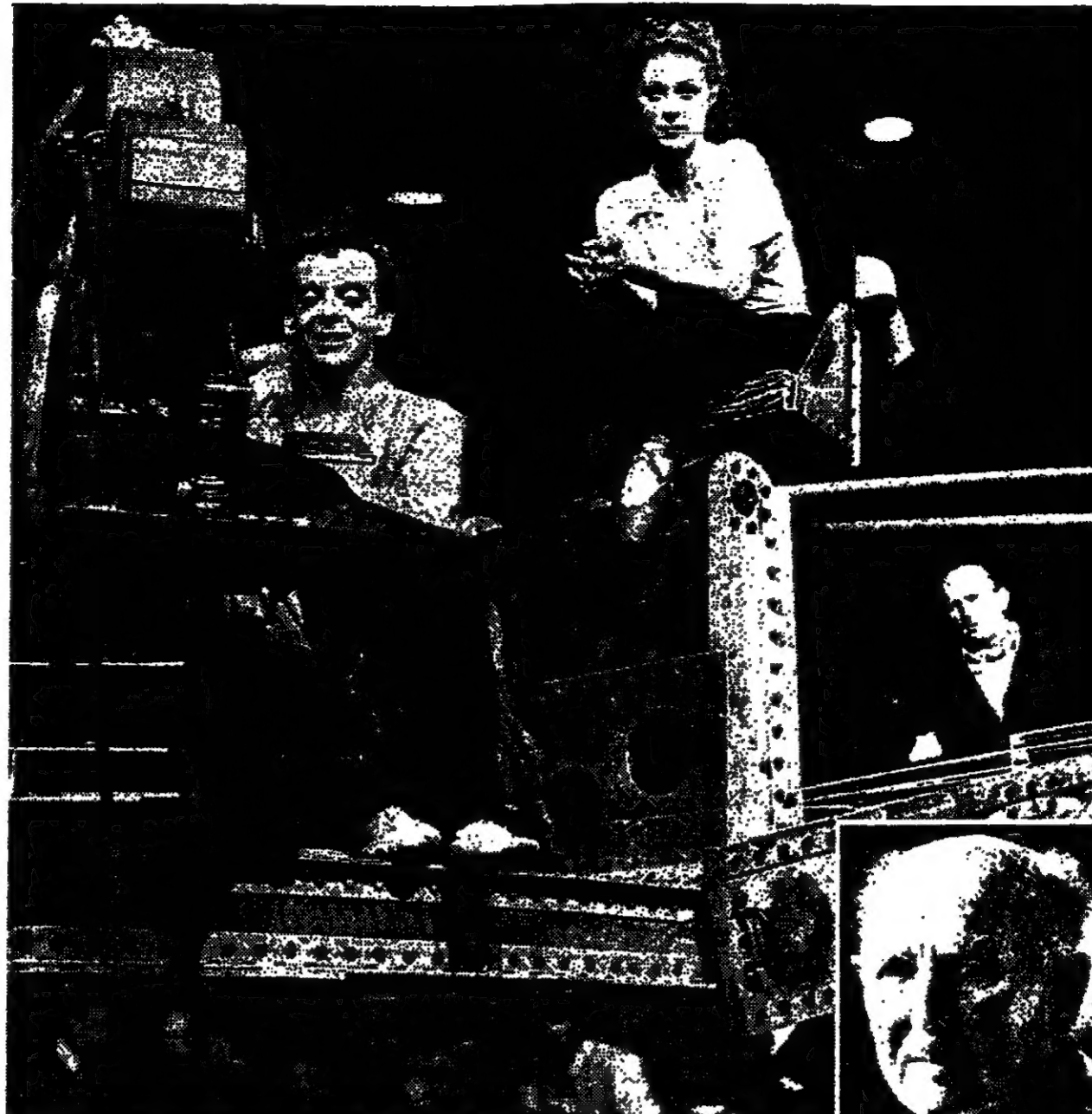
I said to Emeric: "I'll do it if a dancer plays the part and if we create an original ballet of *The Red Shoes* instead of talking about it."

We figured out about four months' preparation before we started shooting on location in France in June 1947. We allowed four weeks for that, followed by the studio scenes of the principals. Last of all came the ballet of *The Red Shoes* itself.

First we had to buy back Emeric's script from Alex, and we took infinite pains to avoid alerting that fussy gentleman, who would have upped the price if he knew how much we wanted it, or might even have refused to sell at all. We need not have worried. When a price of £18,000 was quoted, we were in no mood to argue. Alex bought another Monet and we got on with the rewrite.

I reminded myself that the part of Vicky Page had to be played by a dancer, and a dancer of exceptional quality. A score had now been commissioned and it was time to look for the girl.

Fate took me by the arm in the shape of Jimmy (Stewart)



Granger, in the noisy Pinewood Studios canteen. He had become a big star by now, and heaped his friends knew him for an innocent idealist.

He took me by the arm. "Mick! You're looking for a ballerina, aren't you?"

Jimmy always knew all the new girls as soon as they hit town, so I said: "Yes, Jimmy," and waited.

"Well, there's a new girl at Sadler's Wells. She's in Bobby Helpmann's new ballet. Go and see her. She's got it, whatever it is."

The ballet was *Miracle in the Gorbals*. I spoke to Bobby.

"Oh — Moira — yes-yes. You could do worse, I suppose. She's very spectacular-looking." Bobby had read *The Red Shoes* script. He would be my choreographer on the film, and play a leading role.

"What sort of voice has she got?"

"We'll, she has a voice. She's Scottish, you know."

I saw *Miracle in the Gorbals*. The girl was sensational. I asked for a meeting. A month went by; then she finally managed to fit me in between a hairdresser's appointment and a performance. I was attending one of the vast Rank get-togethers in the Dorchester ballroom.

"She's a corker, Mr Powell," the page-boy whispered to me. She certainly was. And is.

She was tall, with the most glorious head of Titian red hair that I had ever seen on a woman. She had a cheeky face, well-bred and full of spirit. She wasn't slim, she just didn't have one ounce of superfluous flesh. Her eyes were blue.

After a few minutes conversation I offered her the part. I would have offered it to her the moment we met, but I didn't want to seem frivolous. As it was she looked startled.

"Are you serious, Mr Powell?"

"Quite serious. The part is yours. We don't start shooting until June next year. But you understand, you have to prepare a long way ahead."

"You too, I suppose." Silence. Then: "What are you going to pay me, Mr Powell?" I grinned. She was Scottish all right.

"Oh, a thousand pounds or so, and a retainer and expenses during the running-up period."

"I see. I would have to get Miss de Valois's permission, of course."

"Are you under contract to the Wells?"

"We have no contracts."

"I remembered that this was true. It was one of Ninette de Valois's proudest boasts: 'Our dancers come to us. We don't go to them.'"

"Do you think she will be sticky about it?"

"I beg your pardon, Mr Powell?"

"I adore Margot, but she would not be right for the part."

A week later an agent rang up. He said that he represented Miss Moira Shearer. He understood that Powell and Pressburger had offered the leading part in a dance film called *The Red Shoes*.

They were not alone in their opinion. The film was shown in, I think, the projection room of Universal Pictures, and some big boss or other stood up when the film was over and announced in the tone of one who deems it self-evident: "This film will not take a penny in America."

Our partners in America, Bob Benjamin and Arthur Krim, had seen *The Red Shoes* and were scared stiff. Most of their board shared Krim's opinion that it was an art movie and would require tough selling.

One member of the board disagreed. He was Bill Heineman. He had a wife and eight children, all mad about the ballet, and they thought they knew what the public wanted.

He found the Bijou Cinema on 45th Street off Broadway and he guaranteed them a run of six months. After it had run a year, Bill Heineman and his family were crowding, "I told you so," and the theatre booked the film for another year. At the end of an unbroken run of two years and seven weeks, *The Red Shoes* had arrived. Everybody wanted it. Everybody still wants it.



On the set: Robert Helpmann, Moira Shearer and Michael Powell (inset, Powell at 81). Above, Shearer's newspaper dance

Miss Shearer would want a retainer of £1,000, to be paid immediately, expenses to be agreed, and a fee of £5,000 for a 12-week film, half of it to be paid at the end of the first day's shooting.

To myself, I nodded approval. She was Scottish all right. To the agent I said, who did he think Miss Shearer was — Deborah Kerr?

Moira never made any secret of the fact that she played in *The Red Shoes* for money. She was punctual, obedient, respectful, cooperative, efficient, inventive — for money. She was a dancer, not an actress. Film making did

not interest Miss Shearer — except for money.

I never let love interfere with business, or I would have made love to her. It would have improved her performance. A dancer is rather like a nun. Not a nun like we had in *Black Narcissus* but a devotee. Perhaps Moira was waiting to be insulted and had her answer ready. We were very much alike. It was a curious relationship. I sometimes wondered whether she had a heart to break.

A Life in Movies, by Michael Powell, is published on October 27 (Hamon, £15.95).

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SATURDAY

Immense variety:
after 20 years, the
big TV treatment
for Priestley's *Lost
Empires* - page 14

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The manhandling of Moira



Doing it my way: Powell directs Shearer and Marius Goring



J. Arthur Rank and Shearer: he walked out without speaking

The big Faust-like scene in which Lermontov and Julian fight for Vicky's body and soul was her last scene in the shooting as well as the film. Moira had been so fêted and adored by the crew and so gratified, although puzzled, by my tacit approval, that she had concluded that acting was a piece of cake.

Then she found herself between heavyweights like Anton Walbrook and Marius Goring, neither of whom was particularly inclined to let the other steal the scene, and she lost her nerve.

We rehearsed it through a long day with tempers frayed and tears and both these good actors trying to coach a hysterical Moira. I was grimly determined to get a performance out of her, but as the day wore on I began to realize that it couldn't be done.

"It's five o'clock, Michael," I was reminded.

"Send everyone home," was my answer. "We'll shoot it in the morning."

At 9.30 we kicked off. The selfishness and cruelty of the two men who loved and killed Vicky Page suddenly flared into reality. They mislabeled Moira as if she were a beautiful thoroughbred, pull-

ing her head savagely this way and that. Because the two men were both refined and cultivated artists, the brutality of the scene was all the more disturbing. This was no longer acting. Moira, the centre of this savage combat, got frightened, missed her cues and started to cry. In the middle of the second take the make-up started to smear.

Take three came up on the number board. We were all jammed into this little dressing room set. It was abominably hot.

"Action!" I said with an intensity that surprised me. This was it. The men were terrific, and Moira turned blindly from one man to another like a broken doll between them. It was at last very moving. The mascara was running. She snatched at her lines wildly, and after Marius made his exit she seemed neither to see or to hear as Lermontov raised her to her feet and led her towards the door, saying: "Vicky, little Vicky! Now you will dance as you have never danced before."

As Moira staggered out, weeping, the whole stage burst into a roar of applause and sympathy.

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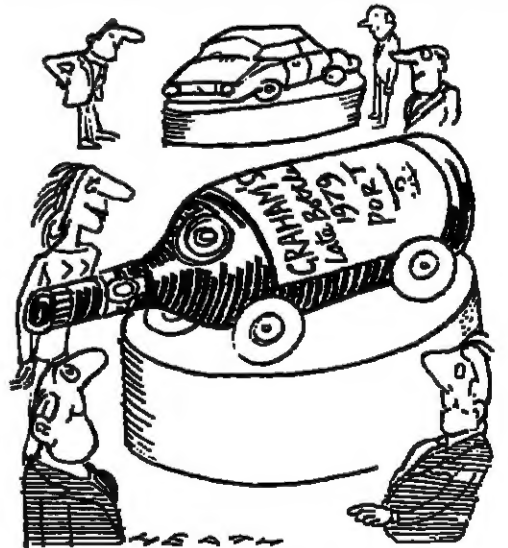
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TRAVEL 2

From San Francisco to Alaska, Philippa Toomey finds cold and comfort on a cruise

Lazing in the glaciers

"Please don't drip on the books," said the notice in the bookshop. We were in Sitka, Alaska, where it rains a lot. But in an English July a cruise to Alaska sounds impossibly exotic.

The beautiful Royal Viking Star begins its 11-day round trip in San Francisco. Boarding was suitably festive, with champagne and a jazzband to welcome a large number of people and their luggage. The first stop was Vancouver, built on the water, and like other cities with run-down dock areas, rehabilitation and rebuilding has produced streets, shops and restaurants, and only the occasional wino to represent the old inhabitants.

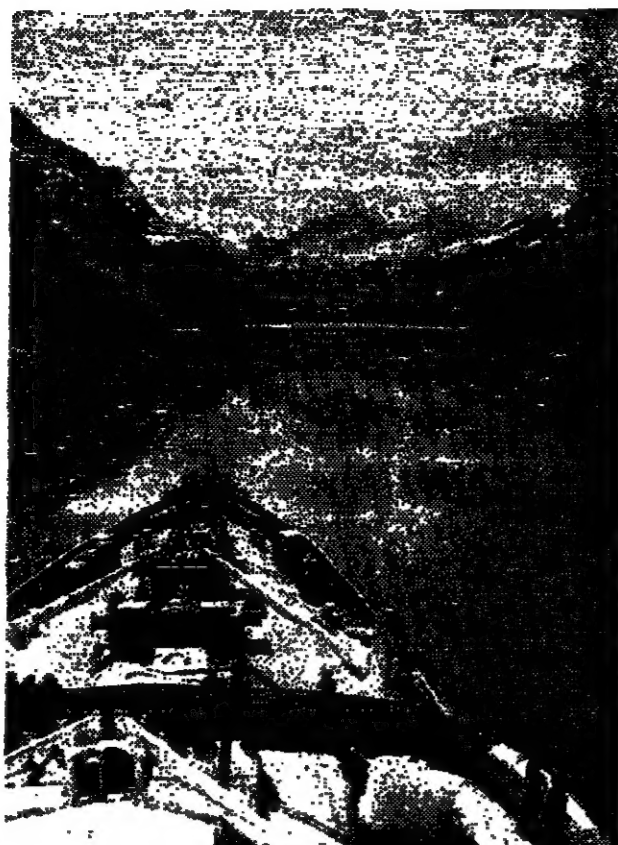
You are in Canada, so there is a currency change from a cruise conducted in American

dollars. The Indian craft shops are purely Canadian: some sell expensive "museum" pieces, others ethnic tat, but it's worth looking out for something you like. The people are friendly, the waterside restaurants attractive, and the sea food delicious.

To me, lazy days at sea are a pleasure. For those who like to be up and doing, Royal Viking Star has a programme of entertainment which would fill any passenger taking part in all of it. On the passive side were excellent first-run films, a show in the theatre each evening, music to drink by, a piano, a good library and, of course, food. You could eat for nearly 18 hours at a stretch, from the jogger's breakfast to the midnight buffet.

Going north the weather was grey, but not exceptionally cold. The next stop was Juneau, inaccessible except by water or air, and the Alaskan state capital, though why it should be was a mystery to those who disembarked and roamed the one-horse town. Cramped with souvenirs, it did have the bonus of three excellent bookshops and a large video store.

From the side of the ship those who felt sufficiently adventurous embarked on a tiny sea plane and flew off, over the mountains and the ice, its crevices showing deep turquoise shadows, to alight on a lake by a lodge in the wilderness. There, a meal of honey-baked salmon, sourdough and beans (like the pioneers made it) was served, rather odd, with white wine.



Silent running: Glacier Bay between the shifting ice cliffs

Across the lake from the lodge is a large glacier, advancing at the rate of 100 feet a year. One day it may dam the river, so they may try dynamite. In the winter, meanwhile, the owners of the lodge move into Juneau, first securing the place against bears, which make a dreadful mess, like the worst kind of burglar.

Two American Forest Rangers joined the cruise for the long trip up the pine coast to Sitka, and pointed out the small, moving black dots which were bears or eagles, and named the sea birds. Sitka was originally a Russian settlement (the Russians sold Alaska to the United States) and in the middle of the town is an Orthodox Russian church, a replica of the burnt original. Sitka is pretty — flowers from an English country garden bloom, and with the souvenir sellers comes an enterprising troupe of young women, perhaps to be commended for enthusiasm rather than authenticity, who perform traditional Russian dances. Authenticity certainly rules at

TRAVEL NOTES

Royal Viking Line has eight cruises to Alaska in 1987, with variations in port of call, from June to the end of August. Prices range from \$1,582 per person to \$5,393 for the penthouse. Add \$149 return air fare, and \$179 for overnight hotel in San Francisco and car transportation for return trip. 14-day tour from Heathrow to San Francisco and back. Information from Royal Viking Line, 3 Vere Street (Oxford Street) London W1M 9HQ. Telephone 01-734 0773.



British Columbia, a pretty and welcoming city, friendly and sunny with flowers and trees; we were back in Canada.

At each stop there were excursions arranged, including some intrepid rafting, but the short stay in each port allowed for little exploration. The voyage is the thing. Those accustomed to cruising will know that the majority of the passengers are not young.

Sailing back into San Francisco harbour in the early morning is a pleasure in itself, but a word of caution — it takes some time to disembark, so connecting flights should not be arranged to provide one of those shall-we-shan't-we catch the plane dashes.

OUT AND ABOUT

WEEKEND WALK

GREAT OUSE VALLEY

Bucks

Distance: 12½ miles

The Great Ouse river winds lazily through the north Buckinghamshire countryside with villages of great charm poised above the flood-prone valley floor. Park in the market place at North Crawley, a disappointing brick village redeemed by a church of great quality. Walk west down the High Street and right on to the Chicheley road, the footpath being best avoided. After a mile and a half turn right up the avenue to Chicheley Hall, a baroque mansion by Francis Smith of Warwick. Bear left to the church.

Cross the Bedford road, then on to the footpath to Sheringham, a large stone village. West from the village



down Water Lane, the road eventually becomes a footpath along the river bank. Tynningham church has Tynningham Hall by Sir John Soane to the north, but it is private. Cross the river by Soane's elegant bridge, through his lodge screen and turn right on to the road. At the Sir Francis Drake pub turn left along the drive to Gayhurst church.

Cross the park by the

footpath north then walk along the road to Stoke Goldington, another stone village with a choice of two pubs for lunch. East out of the village follow the lane to Ravenstone, a stone village whose church has the superb 17th-century Flinch monument. Take the road south to Weston Underwood, another showpiece stone village.

Martin Andrew

OUTINGS

FELTHAM TRAM WEEKEND: Rare chance to operate a real tram, as well as to explore the museum's other attractions. London Transport Museum, Covent Garden, London WC2 01-379 7979. Today, tomorrow, 10am-6pm. Adult £2.20, child £1.

CRAFTS AT TATTON: Craft fair with 58 exhibitors and demonstrations of craftwork. Tatton Park, Knutsford, Cheshire. Today, tomorrow, 10am-6.30pm. Adult £1, child 70p, car park £1.

TAUNTON ANNUAL ILLUMINATED CARNIVAL AND CIDER BARREL RACE: Carnival with a 1½ mile long procession. Taunton, Somerset. Today from 7pm. Free.

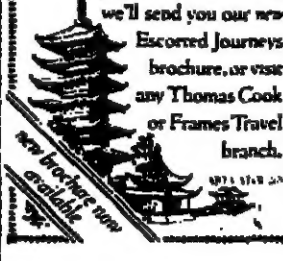
TRAFALGAR DAY PARADE: Sea Cadets Corps commemorates the Battle of Trafalgar and death of Nelson on October 21, 1805. Trafalgar Square, London SW1. Tomorrow from 11am.

Judy Froshaug

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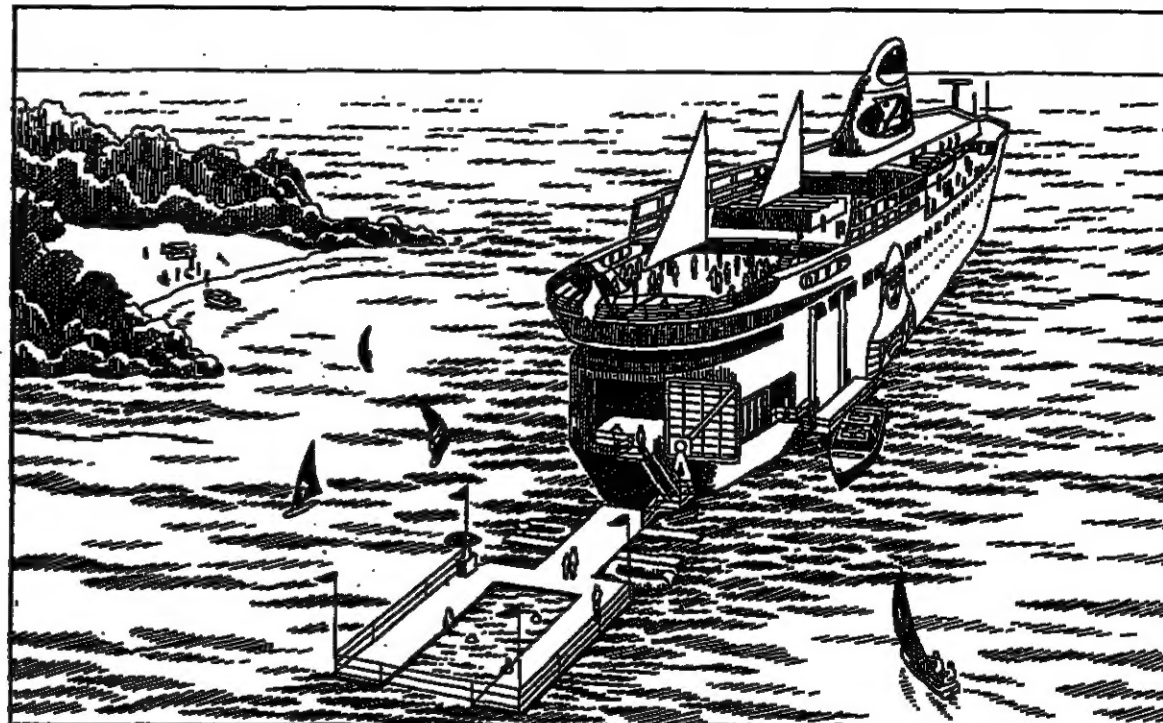
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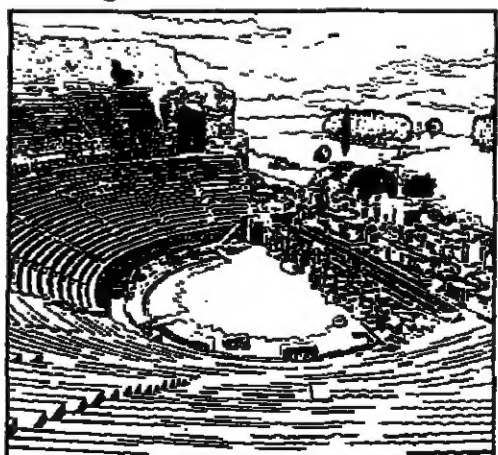
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SHOPPING

By Beryl Downing

Jewels in the crown of modern design

Commissioning modern jewellery is a field planted with diamond-studded mines. If you have a good taste map you will come through unscathed. If not, all your hopes could be shattered.

Courage and knowledge are your best allies, but as most people make their first attempt at commissioning because they have some loose stones or an unloved piece of jewellery to be reset, knowledge is likely to be lacking. So your choice of adviser is more important first time round than your choice of designer.

I speak from sad experience. In 1972 I had an Edwardian ring which did not suit my hand. It contained several small diamonds of different shapes and I admired the then up-and-coming Wendy Ramsdell and wanted her to make them into one of her jewels-on-stalks rings.

An "expert", however, persuaded me to commission another designer and because I thought he must know best, I agreed.

Apart from the fact that my Wendy Ramsdell ring would now be worth a fortune and my sunk-without-trace designer ring is not, I would have had such pleasure from wearing, on every possible occasion, the style I still admire. I doubt if I have worn my commission more than ten times in 14 years.

"That is something some so-called experts don't understand," says Barbara Cartledge of Electrum in London, regarded as one of Europe's leading jewellery galleries. "There is a bond between the possessor and a piece of jewellery which transcends its material value. It has to be very close to the person who wears it both physically and emotionally."

So where do you start? At

Commissioning and choosing gems with a ring of confidence



The cat's whiskers: Clare Murray's ring can be made in silver, gold or mixed metals and is set in an African blackwood box inlaid with a silver star by Matthew Warwick. From £195 through David Jewell

Electrum it is relatively easy because it is a showcase for many leading international jewellers. There is a large range of styles, materials and prices (from £70 to more than £1,000) and you will be asked first to look round and select one or two artists whose work particularly appeals.

After that Barbara Cartledge likes to talk to clients at length about their lifestyles. As a designer herself and author of *Twentieth Century Jewellery* (Abrams £45) she realizes that,

even with preliminary sketches, it is difficult for people to visualize the final result, so she always gives clients the right of refusal if the finished piece is not what they want.

David Jewell is another adviser who goes to great lengths to understand his clients before recommending a designer. From more than 10 years' experience of selling jewellery in a gallery, he believes the best way of matching client with designer is by "relaxed personal contact" rather than in a formal shop where the atmosphere can be intimidating.

He takes samples of work or slides with him to customers' homes and has contact with more than 30 jewellers of varying styles. Among them is Clare Murray, whose speciality is double rings in various shades of gold and silver. Often these have a figurative motif - rabbits, trees and houses, or a train puffing smoke under a rainbow. They are accompanied by beautifully crafted boxes made by Matthew Warwick to echo the theme and to display the jewels when they are not being worn.

The Crafts Council has a crafts map showing recommended galleries throughout the country. Their shop in the Victoria & Albert museum has a good range of new and established designers, all selected from artists on the council's index.

These include Gerda Flocking, who was the first modern artist jeweller to have a one-man exhibition at the museum in 1971. Her pioneering work in textured precious metals has been a creative influence on many of today's leading young jewellers. An exhibition of her work opened at the V&A this week and

Hats off to the new jewellers: On the crown, rock-crystal heart earrings with diamond studded gold bows £450 by Kiki McDonough at Nigel Milne. Round the crown, necklace of silver beads on springy nylon thread £488.75 by Flora Book at Electrum. Left of crown, one of a pair of herring-bone striped earrings in dyed, laminated wood £44.85 by Peter Chatwin and Pamela Martin; below, yellow, black and red

continues until November 30.

Not everyone has the courage to wear bold, artistic statements. For those whose theme is elegant simplicity, wearability is the keynote of Kiki McDonough's designs for Nigel Milne. She specializes in polished onyx and lapis beads, rock crystal heart pendants and diamond studded bow earrings. The fact that they do not look out of place in the same showroom as the Edwardian diamonds and pearls for which Milne is well known is proof that those with £200 to £800 to spend will be buying fashion classics.

Anyone with a rather smaller budget has good reason to thank young jewellers for their imaginative and witty use of modern materials. Most graduates starting their own workshops cannot afford to

design and an antidote to those who buy jewellery as investment, as the value is in the creative idea and not in the material.

So watch out for Louise Slater, one of the most creative young British jewellers of the moment, who has made striking pieces with wood, sealing wax and water thin plastic and is now using Formica's laminated Color-core for chunky earrings, brooches and necklaces. Her designs are on show in Formica's touring exhibition now at the New Jewellery Gallery in Birmingham City Museum until November 22.

"There is a huge variety of attractive materials which give you the opportunity to put a bit of humour into jewellery and not make it too expensive," she says.



A brooch designed by Louise Slater, whose work is on show in Formica's touring exhibition. It would cost around £20

invest in precious materials to make large, impressive pieces, so instead they use wood, stone, wire mesh and plastic. The result is a great fillip for

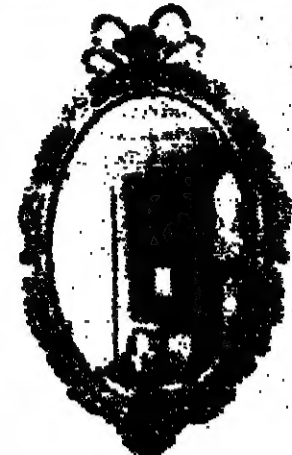
Giving the home a new image

One of the quickest ways of giving an interior a face-lift is through a looking glass and some of the most imposing mirrors are made from old picture frames.

Sharon Yardy of 17 Girdlers Road, London W14 (01-683 8625) has a collection of more than 200 plain and carved picture frames which she has found at picture dealers or auctions. Her craftsmen strip the glazing, replace any missing pieces of carving and fit the mirrors.

Sizes are from 2 ft square to 10ft x 6ft and prices from £200-£2,000. Ovals are more difficult to find, so reproductions are available in limewood from £295 to £395.

Customers within reach of London are offered the opportunity of trying out several mirrors from the collection in their own homes before deciding on the size and shape which is most appropriate.



Touch of glass: a reproduction mirror from Sharon Yardy

Robert and Colleen Bery also specialize in decorative mirrors. They have three standard sizes: 14in x 18in, 18in x 22in and 22in x 26in, with 4 1/2in deep frames which can be stippled and decorated in colours and designs to match your furnishings.

Mirrors hand painted in standard designs cost from £55.20, one-off - including overpaints and triptych mirrors - are from £66.70 to £590 or so. Examples of these and of their hand-painted furniture can be seen at 8 Rosehill Road, London SW18 (01-474 5542).

ADDRESS BOOK

Crafts Council: 12 Waterloo Place, London SW1 (01-930 4311) for crafts galleries map.

Lesley Craze: 5 Essex Road, London N1 (01-226 3200). Closed Mondays and Tuesdays.

David Jewell: 78 Canonbury Road, London N1 (01-226 9809). Appointments only.

Electrum Gallery: 21 South Molton Street, London W1 (01-629 6325).

Kiki McDonough: at Nigel Milne, 16c Grafton Street, London W1 (01-493 9545).

Louise Slater: 167 Brick Lane, London E2 (01-739 3929).

IN THE GARDEN

By Francesca Greenoak

Why I love autumn's late, late show

Clare Roberts

I dislike most of the popular chrysanthemums: the gaudy mop-headed exhibition types, the pot and garden spray kinds with pleasant enough blooms but spoiled by the ugly forest of bamboos required to keep them straight. And so much fiddly horticulture.

So how does it come about that I now grow four kinds of chrysanthemum in my garden, all of them favourites? When I was given some seeds of the pretty little arable weed, corn marigold, my mind shot back to the Suffolk road verge where I saw it for the first

time, rather than to its scientific name *Chrysanthemum segetum*. I started growing this annual five years ago and find it self-seeds without becoming overwhelming, giving golden light knee-high daisies from late summer and continuing to bloom even now.

The double white daisy-like White Bonnet and Snowball, which we always called double feverfew, was called *Maircuria eximia* when I first grew it and, as now, *Chrysanthemum parthenium*. Seed packets and books tell you to grow them as an annual so I was most surprised when old plants continued to flower strongly year after year.

They also produce seedlings which come truly double and look wonderful cropping up between the bricks of a courtyard or by the side of a path. In my garden they do equally well in sun and semi-shade. These small plants have a dark feathery leaf, against which the white blooms show to perfection, and a shapely compact form. Snowball is a dense ivory button with a creamy yellow centre; White Bonnet is pure white and greenish at the centre; both have a dainty skirt of white single petals.

I shall always be grateful to Beth Chatto of the famous Essex nursery, not only for introducing me to two tall late chrysanthemums but for giving me cuttings. The last months of the year are now enhanced with the pleasure that these, now full-grown, perennially give me. They would be beautiful at any time of the year, but lit by late November misty sunshine or sparkling with frost, they are especially to be treasured.

What's more, they need very little attention. I give them some liquid feed when I remember in late summer and autumn but they don't need staking nor do they seem to require disbudding.

Emperor of China is a glorious old hybrid, pinky-mauve with a crimson centre, turning colour as it opens fully to a silvery blush, as Lady's Smock does in spring. The petals are a most delicate quill like no other variety I have ever seen. The flowers last for ages both on the plant and as cut flowers in the bowl. Another agreeable feature is that from October the large leaves take on a rich crimson.

I had never seen anything written about my other winter variety until I was rummaging in some writings by Eleanor Sinclair Rohde. She describes "the most valuable of all autumn flowers, the sturdy old button chrysanthemums" and extols the virtues of her favourite - and mine -



A mum for all seasons: a display of 'Snowball' and (top left) a detail of 'Anastasia'

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Anastasia. This hardy Victorian gives masses of perfect tight fluffy pink-purple flowers which are just coming into good bloom now and will continue for several weeks. I grow them in a border just by the window.

These hardy perennials are easy to propagate with cuttings taken in the spring from the new basal growth springing from the stool. If placed in a loam-based compost mixed with sharp sand, they will root readily in about three weeks. The cuttings should be watered when they are put into their pots but not again until they are well rooted. A light dip into rooting powder and a covering of polythene helps the process.

I've planted them individually in tiny pots and as three or four to a 4 inch pot and they do well both ways. Some cuttings which take longer to

root and appear to be wilting, pick up even after five or six weeks and go on to produce robust plants.

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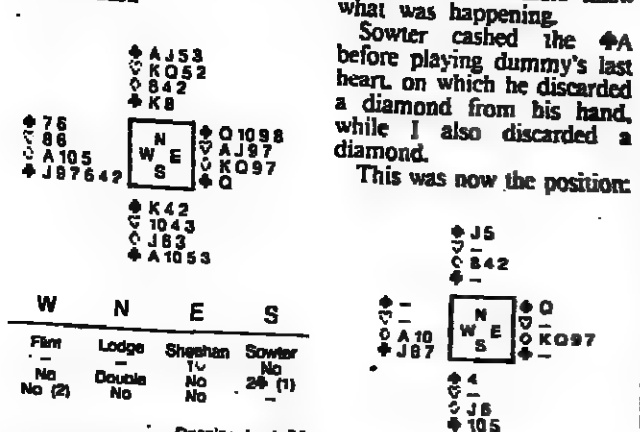
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BRIDGE

Having fun on the defensive

International trials are usually conducted in an atmosphere of solemn concentration. Only occasionally does the sun peep out from behind the clouds. This was one such moment. BBL Teams Trials, 1986. Rose v Sowter. Love all. Dealer East.



Opening lead ♠ 4 which I did not meet with Lodge's approval, but Sowter has no alternative. As it happens, a double would have worked well, but there was too great a risk that North-South would find a happier hunting ground.

Whenever you are lucky enough to hold six trumps, you should lead one. When Sheehan played the ♠ 4, I could see that the defence would be enjoyable. Sowter tried a heart to dummy's King, which Sheehan ducked. Sowter returned to his hand with the ♠ K to play another heart, losing the ♠ Q to

Sheehan's Ace. Sheehan continued with the ♠ 10, which I ruffed. "Hope you know what you're doing," Sheehan said as I played a club, driving out the King. By this time everyone at the table knew what was happening. Sowter cashed the ♠ A before playing dummy's last heart, on which he discarded a diamond from his hand, while I also discarded a diamond. This was now the position:

Sheehan played the ♠ Q which I ruffed, amid general merriment, before playing the ace and ten of diamonds. Despite his expert wriggling, Sowter's clubs were trapped in the vice of my ♠ J 9.

A double defensive grand coup is the grandiloquent title given to that play, which is as meaningful as the gold brass on a doorman's uniform. Anyway it was fun.

Jeremy Flint

CHESS

Kasparov's coup

Kasparov's sudden attack in the beautiful 22nd game of the Leningrad half of the world championship has aroused tremendous interest. Kasparov used 17 minutes to calculate the main variations, while those Grandmasters such as Mark Taimanov — who found the win at all took around five hours.

I have had letters from readers who still cannot comprehend why Karpov resigned in the final position. In view of this, and the extreme beauty of the finish, it is justified to take a second look at the brilliant conclusion of this game.

White: Kasparov; Black: Karpov

22nd Game, Leningrad

I join the position after White's stunning sealed move — 41 Nd7!

Further lovely variations have emerged should Black play 43 — Rd3 viz: 44 Qe1 Bb7 45 Rb6+ g5 46 Qd1+ Kg7 47 Ne6+! fxe6 48 Rb7+ Kf6 (or 48 — Kh8 49 Qh6) 49 Qh6 Ke5 50 Qg7+ Qf6 51 R4+ Kf5 52 Rf7. If 43 — Rxb4 44 axb4 d4 45 Qc7 is perhaps stronger, if less spectacular, than 43 b5.

Black resigns

After 46 — Bb7 47 Qxc3 f6 (47 — Qf4+ 48 g3! wins) 48 Qe3+ g5 49 h4xg5 f5xg5 50 Nxb7 Kxb7 51 Qe4 or 50 — Qxh7 51 Qe6+ White obtains an easily won King and Pawn ending.

Raymond Keene

THE TIMES COOK

Bringing home the flavour

Modern factory methods of curing bacon give us weepy rashers but produce more succulent joints — a fair enough trade, says Shona Crawford Poole



altogether more interesting. If the piece of bacon and the pan in which it cooks are well matched, 1.5kg of meat can be cooked in less than a litre of wine. Use some of the cooking liquid to sauce the ham and reserve the remainder to season a variety of other dishes: it is particularly good in terrines. The recipe calls for gammon, but a piece of smoked loin of pork or any other bacon cut can be cooked this way.

Gammon poached in red wine
Serves six
1.5kg (3½lb) piece smoked gammon
About 1 litre (1½ pints) red wine
Bouquet garni of bay, parsley and orange peel
Pepper

Take the supplier's advice on whether to soak the gammon. Put the bacon in a pan which fits it fairly snugly and pour in wine to cover it completely. Bring slowly to the boil, skim and add the bouquet garni. Cover and simmer the gammon until it is tender and easily pierced with a skewer — about two hours. The gentlest simmering results in the most succulent meat. Hurrying the cooking at a faster boil only results in drier, tougher gammon. Lift the gammon from the wine and allow it to rest for a few minutes before carving it. A little of the strained cooking liquid heated with double cream makes an instant sauce. Proportions of cream and stock will depend on the saltiness of the gammon. Alternatively, the skin can be removed from the gammon and a mixture of equal propor-

tions of chopped parsley and dry breadcrumbs seasoned well with dry mustard can be pressed into the fat. Brown the coated gammon in a preheated hot oven (230°C/450°F, gas mark 8) for about 10 minutes. Baking whole hams in a fatless pastry crust which is later discarded is another traditional method of preserving flavour and succulence.

Gammon baked in a crust
Serves six

1.3kg (3lb) piece smoked gammon

4 tablespoons snappans or gin (optional)

For the crust

500g (1½lb) flour

About 300ml (½pt) warm water

Take the supplier's advice on whether to soak the gammon. If you plan to marinate it in the snappans or gin, turn the gammon in the marinade for about one hour.

To make the crust, add enough warm water to the flour to make a pliable dough and knead it until it is smooth and not sticky. Roll it out on a floured surface. Dry the gammon and wrap it in the dough, sealing the edges carefully with cold water.

Transfer the gammon to a floured baking tin and bake it in a preheated moderate oven (180°C/350°F, gas mark 4) for three to four hours.

To serve, transfer the gammon to a carving board. Break the crust and slice the hot, succulent bacon.

Boiled or mashed potatoes are essential accompaniments to bacon. Small whole beetroot, lightly buttered and lavishly peppered are excellent too — their sweetness complements the salty meat perfectly.

EATING OUT



The chandelier factor

There's every reason to distrust restaurants that are decoratively opulent — chandeliers are Michelin-bait hung to impress that guide's impressionable inspectors; every swag adds £x to the bill; fancy plaster distracts the senses. But one of the effects of the 1980s taste for the past is that sites which only five years ago would have spelled death to a restaurant enterprise are now not merely acceptable, but positively fashionable. It's OK to be grand again: hence the rehabilitation of the restaurant of the old Piccadilly Hotel as The Oak Room, all showy Edwardian baroque (with massive chandeliers).

The hotel has been sold twice since it reopened (as the New Piccadilly) a year ago. This month's proprietor is a French company called Le Meridien. With regrettable chauvinism Messrs Meridien have introduced the Burgundian Michel Lorain (Michelin 3 stars, Gault Millau 4) as "co-chef" chef. He will presumably turn up every few weeks with a rack-sack full of produce and see that all is in order with "his"

Opulence used to deter diners, but Jonathan Meades finds grandeur back in fashion

dishes and with the employees he has left behind. This sort of consultancy begs the question of whether a major chef is anything more than an ideas man whose recipes and researches can be executed as well by robotic minions. Further, Lorain's appointment is odd considering that the Oak Room already had a very fine chef, David Chambers, who was awarded two Gault Millau trophies within a few months of opening and whose menu has now been largely dismantled in favour of three by Lorain.

Chambers' current menu includes a filette of turbot and salmon with a potent lobster sauce, and a beef fillet with a "cake" of lactarius mushrooms bound in spinach and sauced with a beery glaze that is essential without recall-

ing Bovril. From the dishes on Lorain's menu we ate a striated terrine of foie gras and chicken set in delicious aspic with an entirely resistible accompaniment of onions in a wine jelly; also, a minuscule portion of excellent fresh foie gras de canard with spinach and black and red currants.

We drank an overpriced Cote Rotie from a poor year (1978, £22) and a half-bottle of acceptable Sauternes. The bill was £120 including service, which is very good and gets better when the place fills up.

The Oak Room is certainly a treat, and for all my misgivings, it must be admitted that the wares of two first division chefs probably give it the edge over many of its competitors in this slice of the market. Quite what market the Criterion Brasserie is aimed at is unclear. This vast and spectacular room was restored by Trusthouse Forte a couple of years ago and even the imposition of pseudo art deco neon has not mitigated the brilliance of the tessellated ceiling, the "blind" Romanesque arches, the overall Otoman theatricality.

In the early part of THF's regime the cooking was like one of that organization's motorway cabs (but with French names on the menu). Now, however, the cooking is done with some care.

The choucroute with smoked pork, salt pork and Frankfurter-type sausage is as good as you'll find in many vaunted Parisian brasseries and no more than twice the price. There's a filling dish of Toulouse sausage with pureed potatoes and buttery cabbage. Cold starters such as rilletes and bresola with mozzarella have come not only straight from the chateaux but straight and stiff from the refrigerator. With a 1985 Morgan from the Paul Bocuse label (another form of chef's franchising) the bill was £34.

The Oak Room, Le Meridien, Piccadilly W1 (01-734 8000). Open daily noon-2.30pm and 7-11pm.

The Criterion Brasserie, 222 Piccadilly, London W1 (01-839 7133). Open Mon-Sat noon-3pm and 6-11pm.

DRINK

Vintage des res in the Medoc

Termites, death-watch beetle and damp rot are not the problems anyone today would expect a leading *deuxieme grand cru* Bordeaux proprietor to be struggling with. But tall dashing Anthony Barton, the eighth generation of the Anglo-Irish Barton family, to live and work at third-growth Langoa and the neighbouring second-growth Léoville Barton, is currently doing just that.

The charmingly proportioned Langoa house is undergoing a major interior face-lift, and the *chais*, or first-year cellars, have already been restored to their former traditional glory.

Not since the 18th century perhaps has Langoa been so neatly groomed. In the old days, chateau-owners never lived at their grand-looking but spartan Medoc properties, but instead spent their time in Bordeaux, the intrapud occasionally venturing into the Medoc for the vintage.

Today, just as the interior of Langoa is being taken in hand, considerable changes have also taken place in the

Léoville and Langoa vineyards and cellar. The 45 hectares of Léoville and 15 hectares of Langoa vineyards now have vines 20 years old on average, and two or three hectares of the older vines are usually replanted every year.

As Anthony Barton puts it: "People's attitudes to old vines are changing. I am not 100 per cent convinced that a 30-year-old vine makes a better wine than a 20-year-old."

In the *chais*, greater quantities of new wood are being used in which to mature the young wine. The 1982 vintage saw a third of the wine maturing in new oak barrels; today, roughly half goes into

new wood. The cellar also boasts two new wooden *caves*, or fermenting vats, plus the latest Vasilin press and a new hi-tech heat exchanger first used in 1985.

The latest vintages from both Langoa and Léoville — now, happily, entirely the property of the Barton family — certainly reflect these changes. Anyone who has bought either the glorious, intense multi-layered '82 Léoville (Adnams, The Crown, High Street, Southwold, Suffolk, £17.83; Berry Bros and Rudd, 3 St James Street, London SW1, £18.35) or the delicious full-bodied fruity '82 Langoa will not be disappointed.

The '80 vintage of both properties and their second wine, sold simply as *appellation contrée* St Julien, is also highly successful. If you see any of these spicy, scented, rose-like wines on sale, snaffle them up (Russell and Melver, The Rectory, St Mary at Hill, London EC3 stock the '82 Langoa for £10.35).

Jane MacQuitty

THE TIMES GARDENING KIT

This Gardening Kit consisting of a stainless steel Weeding Fork and Trowel with Gardener's Companion Bag would make an ideal Christmas Gift.

The Fork and Trowel are made by the renowned Spear and Jackson Company and each have 5" wooden handles which are stained to a rosewood hue and deeply waxed for protection to satisfy any gardener who expects value for money combined with durability.

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Whether ordered separately or as a set, these practical items will be appreciated by any keen gardener and would make a most appropriate Christmas gift.

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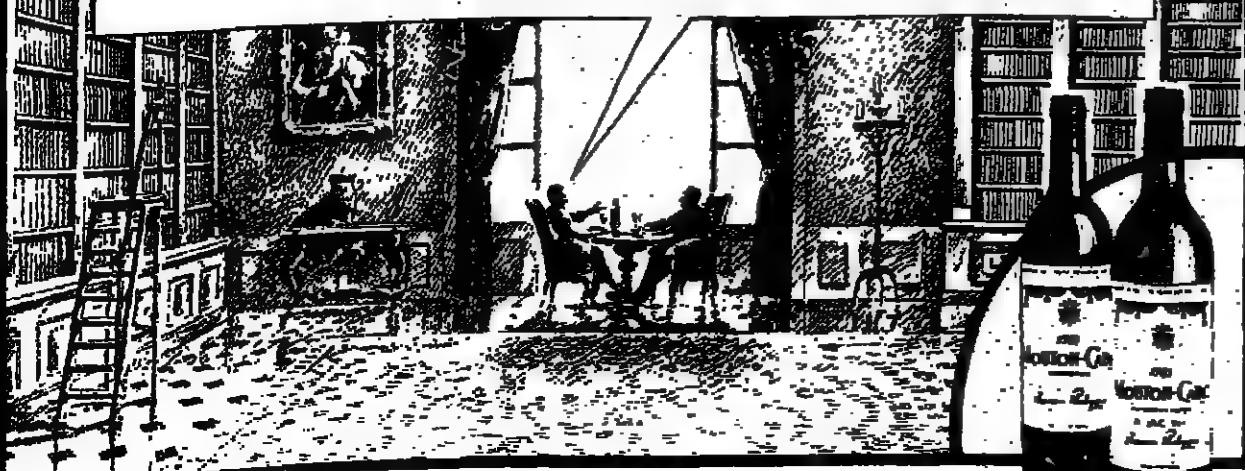
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"One of my interests is translating English poetry into French. Another is introducing French poetry to England. For this I use bottles."



POET, art collector, maker of exquisite wine, Baron Philippe de Rothschild is legendary; his understanding of wine formidable. MOUTON CADET is particularly close to his heart. The range is vintage claret — full, round and smooth. The blanc set, also vintage appellation Bordeaux contrée, is dry, light and fresh. Both have been judged worthy to bear the Baron's name. Try them. You'll enjoy the poetry.

Baron Philippe de Rothschild

THE ARTS

Roll on the Cultural Revolution

Plans were unfolded this week for a new upmarket *Breakfast Time* (BBC1) which would compete for seriousness with the *Today* programme rather than, as present, the newspaper.

News that it will be hosted by Frank Bough, Jeremy Paxman and Sally Magnusson prompts a reaction of Spot-the-Pin-up, for the sexual chemistry promised by this trio would seem to have its origins in a test-tube.

Because of the ever-changing start date of BBC's Daytime Schedule (now October 27, but don't hold your breath), only bits of the Cultural Revolution were on offer this week. On Monday, for instance, on the old set, we were treated to the sight of Jeremy Paxman straining to be Mr Ordinary in the weeks before he becomes Mr Hardnose. Descending uncomfortably to the level of Francis the weatherman, Paxman leered into the camera with little sense of infection.

Meanwhile, Debbie Greenwood continued to give the last of her in-depth political interviews (to David Steel, "how long has South Africa got?"). Gay Michelmore continued to be a naïf post on which men like Lord Young paused for a

TELEVISION

stickle and, in a programme of overkill which would have distinguished Chairman Mao, we watched the Queen's visit to China.

"I should never question the value of cliché," says Lawley remarked in a voiceover covering an interminable shot of the Great Wall. It rather summed up her job — a job she did admirably compared to her TV counterpart.

Then it was on to Shanghai for tea, and Frank Bough's reminder that it may be 8.23 in London, but in "the Paris of the Orient" it was 3.23. Like a Chinese take-away, one rose bloated from this feast only to have the sensation soon after that one had digested precisely nothing.

In a location report more suitable to *Film 86, Omnibus* (BBC1) examined the story of *The Mission* — about the genocide of the Guarani — and mirrored it in the way director Roland Joffé had used the Wamana tribe. While there was something undeniably fascinating about the mechanics of teaching them to act, it was a meretricious exercise concentrating too much on Joffé's slippery, even Jesuitical, evasion of responsibility.

Nicholas Shakespeare

Eastern feast with a taste of promise

TV PREVIEW

Whatever the Arts Council decides to do about the suggestion of extra funding for the City of Birmingham Symphony Orchestra, neither the CBSO nor Simon Rattle have cause to grumble about lack of support from the television companies. More prime-time exposure, and the front cover of *Radio Times*, comes with a series of four Saturday-evening programmes on BBC2, starting tonight (8.25).

The series title, *From East to West* (I don't think it is a covert reference to Maestro Rattle's possible emigration) summarizes the programmes' main theme: the impact of eastern cultures on western composers from Mozart (*Il Seraglio*) to Boulez. So in the first programme, comes with a series of four Saturday-evening introductions precedes an uninterrupted span of music.

The CBSO plays an imaginative choice of oriental-influenced compositions (it includes, besides the inevitable Ravel and Debussy, some rarely-heard Holst, Kocchlin, David Matthews and Steve Reich, as well as Ketelbey's ludicrous but funny *Persian Market Place*, complete with lusty singing from the CBSO players) which is juxtaposed with the "real thing", a well-recorded mixture of gamelans, sitars, nose-lutes and many other inscrutable sounds.

Neither orchestra nor conductor appears much, though there is one clever use of a four-way split screen to illustrate the metrical

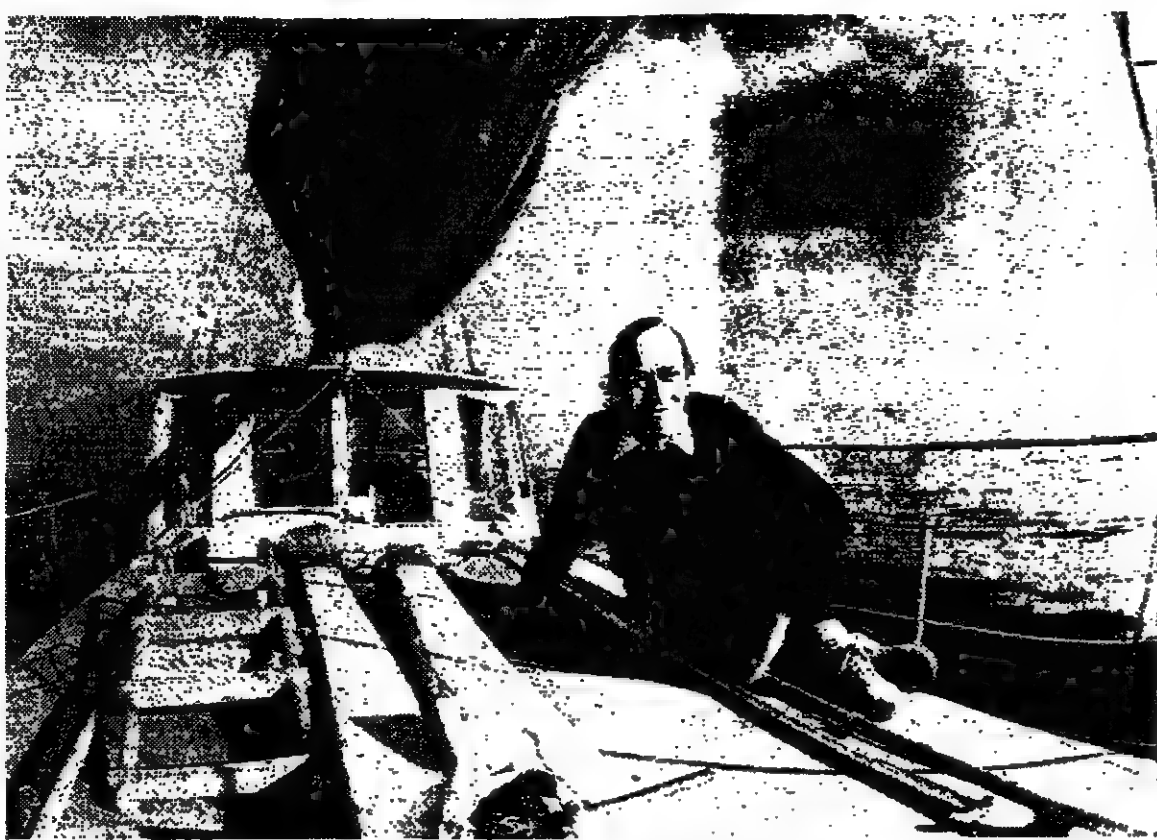
Caroline Moorehead tracks down writer, traveller Jonathan Raban in the Essex Marshes
The youngish old salt and the sea

Coasted? — through yet another term? Jonathan Raban's father remarked, disbelieving, reading from a school report. Though that was 25 years ago, the word, the stain, stuck.

It was inevitable, perhaps, that at some point in his life Raban would carry the image to its logical end, take the word literally and coast, in a boat along a seashore, then return to write about it. In its original form, the account of his journeys alone in a 30 ft ketch around the British Isles, very nearly did not materialize at all. The book that was intended was abandoned after six hateful, fidgeting months; a novel, *Foreign Land*, came instead. But there was enough still left and still waiting.

Coasting has just been published, an account of Raban's travels by sea, his dipping into coastal life and indeed his own life. I found Raban in the house that came with and in a sense out of all his coasting, four miles from where he berths his boat, the Gosfield Maid, in a marina in the marshy River Blackwater in Essex, at the mouth of the Thames estuary. He calls it his bolt-hole, to do with not seeing people. Just as Raban himself is something of a caricature of a youngish and gangling old salt, deliberate and watchful in manner, given to much lighting and relighting of pipes, so the cottage is boat-like, small, neat, timbered rooms with low ceilings looking out over complete flatness and enormous blowy skies.

"First buy a map," Raban said over the phone, giving directions. In fact you need not so much a map — his directions are flawless — but a helicopter, East London being at an almost permanent traffic standstill. Sensibly, Raban himself does the journey between Knightsbridge flat and cottage only in the middle of the night. Being a practical man, he owns two identical typewriters, so that a sheet of paper can be moved from one and inserted smoothly into the next in mid-paragraph.



Navigation and solitude: Jonathan Raban aboard Gosfield Maid, 'a voyage of territorial conquest'

Until *Foreign Land* came out last year — to much publishers' hypebole which might have prevented extremely enthusiastic reviews, but rightly did not — Raban was called of mainly as a travel writer. What he describes as a series of "mistaken terms" — several years as a university lecturer in English, a great deal of literary criticism and some television plays — were well behind him and public success had come from *Arabia*, a journey through Bahrain, Abu Dhabi, Yemen, Egypt and Jordan, and *Old Glory*, a voyage down the Mississippi River which won him the Royal Society of Literature's Heinemann Award.

The description "travel writer" is not one he cares for; he thinks of the

term rather as one of literary abuse, smacking of stunts and the *Guinness Book of Records*. Before the question can even properly be phrased he says, firmly: "I'm a writer, not a traveller. Books of travel are intermissions in my writing life. The *Thames* is a traveller, with bouts of writing as intermissions in his travelling life." The good travel-book and the good novel, furthermore, are not generally different. "The best non-fiction is very close to being a novel; the world re-created on every page." *Foreign Land* and *Coasting*, a novel and a book of travel grown out of one single impulse: no one better than Raban perhaps proves his own words, the travel book written as

autobiography, exploration on two levels, inner through memory and evocation, outer through scenes and events, and the novel as journey.

With two long books written about travelling on water it becomes hard not to see Raban as a man at least mildly obsessed by sea. That, he concedes, is partly correct. As a boy, son of an Army officer turned priest in the Church of England and constantly moving, he lived always near but not on water; Norfolk, Merseyside, Hampshire; later came university at Hull.

Where the nautical image is wrong, says Raban, is that he never has been in any obvious, sporting

sense of the word a sailor. Not until 1979, when he was in America and someone lent him a boat to go down the Mississippi, did he first really travel on water and he did so then largely because he was intrigued by the idea of letting the river write the book, the narrative growing out of the water's flow. Even so, no instant love-affair with boats sprang up. "It was made of aluminium, a non-stick saucepan of a boat. I gave it back to the owners with loathing. I hated banging into things; I hated trying to start its outboard motor and being so inept." Three weeks back on shore, however, and "I felt widowed without it".

The Gosfield Maid — it is famously unlucky to change a boat's name, so Raban kept her former owner's even if in his own mind he prefers to juggle the letters to "Die, Dismal Fog" — was a natural next step. And there are things he knows he likes about the sea: navigation, and the solitude, equilibrium and privacy of boat life, not feeling lonely, for as every writer knows it is far lonelier at home, and what he calls in *Coasting* a trip seen as a "test, a reckoning, a voyage of territorial conquest".

"*Arabia*", says Raban, "was a straight travel book; *Old Glory* less so; *Coasting* decidedly crooked; but each has been getting nearer to home." The coaster's itch has, he claims, been soothed. He contemplates divorce from the Gosfield Maid most weeks. There are to be no more travel books. Is one to believe him? Even now, he is at work on what he insists is just a 40,000-word article for the *Atlantic Monthly* — 40,000 words an article? — about a four-month trip he made to Sweden recently on the boat with his wife. And there those rivers on the East Coast of England enticingly near.

Coasting by Jonathan Raban is published by Collins Harvill at £10.95.

Chinese prophecies come true

Nine years ago I had the luck to work on a school audio-visual programme about China with the then *Times* deputy foreign editor, Richard Harris. I turned it up this week and listened to the prophecies he ventured at its end.

Mao was recently dead, the Gang of Four disgraced and the new leadership, thought Mr Harris, would turn their attention to raising living standards, improving contacts with the West and — an attitude notable for its absence in the preceding 30 years — making the best of the world as it is.

He was right on all three counts and the point was firmly driven home by China (Radio 4, last two Saturdays and Wednesdays), a pair of vivid documentaries compiled by Mike Sheils on a recent visit to that country. The fact that he was working mostly through interpreters — familiar as the kiss of death to many a promising interview — did little to reduce the charge of energy which ran through both these programmes and which left the strong impression that the only thing wrong with Richard Harris' prophecies was that they had not taken him far enough. The contrast over the years was extraordinary.

RADIO

Incomes have on average more than doubled, contacts with westerners, which in 1977 were matters of difficulty and suspicion, are now increasingly unfettered, traditional Chinese pragmatism is reasserting itself — and all with that much more *clan* perhaps for having so ruthlessly been kept under. Even Christianity, that nonpareil of capitalist opiates, now seems to enjoy relative free expression: "What a friend I have in Jesus", sang a swelling congregation visited by Mr Sheils.

Of course relaxation has brought its problems: fraud and corruption flourish along with more constructive human activities but all in all this sounded like a portrait of a society rapidly readjusting to ideas of give and take as well as compromise which, I remember Mr Harris insisting, are part of the weave of Chinese history. It seems he was right again.

If China succeeded as a sort of full-face photographic likeness of a society, then William Trevor's *The News From Ireland* (Radio 4, Monday, repeating today) achieved its effect by means that were shadowy and indirect. In the potato famine of the late 1840s, Anna Maria Heddoe (Moir Leslie), governess to an English family newly come into an opulent Irish inheritance, gradually absorbs the true nature of what is happening outside the comfortable life of the estate. It is the butter, Fogarty (a sinister and spelling-binding performance by Cyril Cusack) who is her chief instructor — hinting and sometimes, as when she finds that he has read her diary, shocking her into realization. This unappealing old man was the dominating figure of the play, the very emblem of a place and time "where people are driven back to savagery". It all left a deep and horrible impression on the memory.

So in a very different sense did Kane's *Tales from Shakespeare* (Radio 4, Tuesdays), Vincent Kane has been retelling five Shakespeare plots, matching the characters more or less to living public figures: David Steele appeared as Hamlet, David Owen as Claudius, Ian McGregor as Othello, Scargill his Iago. And so on. The parallels were often heavy-handed. The *Likewise* delivery, if you believe the world has reached a pitch of madness never before known, then half an hour with Bugs and Beasts Before the Law (Radio 3, Monday) should have put you right. Dr Nicholas Humphrey, an ethologist from Cambridge, has been exploring the fantastic history of the criminal prosecution of animals from the Middle Ages into the 19th century. A sow was maimed and executed in 1386 for injuring a child; a bishop commanded hosts of marauding beetles to depart on pain of prosecution which was solemnly if ineffectively carried out. Dr Humphrey ascribed it all to man's efforts to deny the messy and the inexplicable and to assert the universal rule of law, divine or otherwise.

David Wade

Time for celebration

NLCC/Wood Queen Elizabeth Hall

CONCERTS

The New London Chamber Choir will be exactly five years old next month, an occasion which we have ample cause to celebrate. Its best characteristics were prominently displayed in this anniversary concert, a good blend, a purposeful attack, and an ebullient sense of rhythm. That last quality is, of course, just what one expects from a choir directed by James Wood, whose pedigree as a virtuoso percussionist was also reflected in his own composition, *Phaedrus*, completed early this year. One only wishes that it were

possible to warm more readily to this undeniably assertive work, but its ritualistic incantations of Platonic philosophy (in Greek) probably had greater appeal to minds more mystic than mine.

The demanding central parts, a duo of solo baritone and solo percussion, were delivered with admirable stamina by David Wilson-Johnson and Robyn Schulzowski, and there was certainly plenty of variety in both the choral and instrumental scoring, the latter requiring six more percussionists and the 11 wind instruments of the Ensemble.

Stephen Pettitt

LSO/Simonov Barbican

For a man who spent 15 years as chief conductor of Moscow's Bolshoi Theatre and is still in his mid-40s, Yuri Simonov kept the London Symphony Orchestra on a decidedly tight leash for their Barbican concert.

Divided between Mendelssohn and Tchaikovsky, it was marked by a deliberateness of pacing and accent that over-rode any qualities of charm or gaiety, even in the exuberance of Tchaikovsky's *Italian Caprice* at the end.

Applying this to Mendelssohn at the outset meant that the Overture to *A Midsummer Night's Dream* acquired a heavy-footed rhythm and force of string tone that put it closer to Verdi, which the Soviet visitor is indeed due to conduct when the Royal Opera returns to Covent Garden with *La Traviata* in 10 days' time. A sense of drama will be well

come enough then, more than in the weighty inflection imparted to the Nocturn and Scherzo that followed the Overture.

The "Italian" Symphony likewise developed larger than life proportions as the conductor urged it trenchantly forward, his phrasing having a matter of fact character and little charm to modify the squareness of presentation. There was some spirited woodwind playing, which was duly acknowledged by bringing the principals separately to their feet at the end, but I wished this had been heard in a more buoyant context.

Ralph Kirsbaum was able to take wing effectively in his ardent cello playing for the *Rococo Variations* of Tchaikovsky. He did rather gild the triplets of the first variation, and he made less of the opportunities for rubato than I would have expected, but his musical sensibility provided enjoyable contrasts of tone and character on the way to a brilliant finale.

Noel Goodwin

Boldness of the braves
YMSO/Blair Festival Hall

"Who dares wins" is not an invariably successful formula for choosing orchestral repertoire. The Young Musicians Symphony Orchestra has both dared and won many times in the past 14 years, enriching London's concert life with works which their elders dared not programme.

This time, with the Everest of Mahler's Fifth Symphony to surmount, and what seemed like a more inexperienced crew than usual in front of him, the conductor James Blair perhaps dared a bit too much.

An organization which relies on the goodwill of students and colleges is always vulnerable to the sudden shrinkage of its available pool of talent. That is especially true at a time when each music college appears increasingly concerned to assert its own high public profile, as it jockeys for position in the mysterious race called "the pursuit of excellence".

Yet the YMSO's role is still a crucial one, not least because there is a big difference be-

tween breezing through a demanding Mahler solo passage in a college practice room, and having to play it in the Festival Hall. Moreover, this performance had many brave aspects to offset its inexperience, which, in any case, could probably have been resolved by a few tough sectional rehearsals.

For instance, the brass principals made creditable work of their tortuous parts, especially in the first and third movements. (To hear the trumpet's notorious descent from top D flat go slightly wonky is nothing new, even in this illustrious venue.) The strings, however, lacked weight, and fatigue led to mistakes in the finale, but the Adagio tone revealed some pleasant tone.

Blair naturally had to sacrifice some long-term vision in favour of bar-by-bar safety; the second movement sagged particularly. Apart from some occasional rustling in the fiddles, however, the ensemble held together well.

Earlier, in Richard Strauss's *Four Last Songs*, the young soprano Susan McCulloch gave evidence of considerable potential.

Richard Morrison



From Czechoslovakia: the 1926 print *Electric Trams*, by Silovsky (detail)

Prints ancient and modern

GALLERY

Czechoslovak Prints 1900 to 1970
British Museum

The British Museum is evidently never one to look a gift horse in the mouth, or indeed to fight shy of engineering gifts of the right sort — and which sort is not?

The present exhibition in the Prints and Drawings gallery (until January 11) brings to our attention two recent accessions to the museum's collection: a group of Czechoslovak Prints from 1900 to 1970 and a group of prints by Jean Morris (c. 1590-1650), both of which arrived in 1985.

For good measure, these two shows are allied with a selection of Contemporary Japanese Prints (until October 26), chosen by an international jury.

The Czech collection is the result of an interesting exchange, whereby the National Gallery in Prague put together a representative selection of modern Czech print-making for London, and the British Museum did a corresponding service with British prints for Prague. Every important phase in 20th-century Czech art seems to be represented, from the Art Nouveau and Symbolist turn-of-the-century nearly up to the present. Probably the most immediately striking work comes from the earlier phases. The most familiar Czech print-

maker of all during these years, Mucha, is not included, presumably because the BM is already well supplied and in any case most of his graphic work was done in Paris.

But it is good to meet such other symbolically-inclined artists as Frantisek Kobliha, with his striking series of oblique illustrations to the Tristan story, and Josef Vachal, who made intricate colour wood-engravings on legendary themes.

The heyday of Czech Cubism around the First World War is also commandingly displayed in the works of the aptly-named Bohumil Kubista and of Vaclav Spala, and we discover, if we did not know it before, that during the Twenties in Czechoslovakia there were also powerful realists like Vladimir Silovsky, who conveyed his vision of the city both in woodcuts like *Electric Trams* and in more at-

mospheric drypoints, and unclassifiable "neo-classical" artists like Rudolf Kremlicka, whose bold stylization is entirely his own.

The catalogue-book accompanying the exhibition, by Irena Goldschneider (£9.95), is an invaluable source of hard-to-come-by information in itself.

The Japanese usefully supplement the knowledge we have gleaned from earlier shows at the British Museum covering the classic print-makers and the early moderns who showed the first responses to Impressionism and Post-Impressionism art from the West. There are 80 prints, with 80 prints, and it is difficult to reach any generalization about the present state of things on the basis of so little and conflicting evidence.

One thing is unmistakable: there is a tremendous amount of creative energy being unleashed in Japan.

No single artist separates himself from the throng; obviously we need to see more than one print by each in order to make that kind of discrimination.

John Russell Taylor

Following family footsteps

George Benson and Diana Ross are two artists who have previously performed in the round at Wembley, and it was a measure of her extraordinary status after only one solo album that Whitney Houston should elect to do the same without suffering in comparison.

With her immaculately dressed seven-piece band and four backing vocalists set lower at one end, the sizeable circular stage was occupied by just the one slim figure, wearing a sleek turquoise dress and clasping a cordless microphone. She looked like a shimmering hologram, but her command of such an intimidating area of space was real enough throughout a set which included nearly all the songs on her eponymous album.

As the daughter of Cissy Houston, niece of Dionne Warwick and family friend of Aretha Franklin, Houston has had ample opportunity to inherit and absorb the finest gospel and soul singing traditions, and time and again she demonstrated the fluency and sheer prowess of her vocal technique — a quasi-gospel arrangement of the Frankie Laine hit "I Believe" produced a climax that swept towards the very highest registers in waves of mounting vigour. The duets "Hold Me

ROCK

Whitney Houston
Wembley Arena

"Nobody Loves Me Like You Do", sung with her brother, Gary Garland, were impeccably smooth and smoochy.

But she lacks the depth of expression of a Warwick or a Franklin. She is only 23, so this may come with time, and she may also learn to resist the temptation to parade her skills in such an overbearing way as at the end of "I Am Changing", where her bombastic ad-libs, punctuated by wolf whistles from the crowd, reminded me of the extended guitar finales that sometimes close over-heavy blues songs.

David Sinclair

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In other respects though, the older generation could benefit by adopting her youthful approach.

1987 National Art Competition
Total Prize Money £15,000
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Main Galleries: London SW1
65-140
Newcastle City, Newcastle upon Tyne
18th February
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19th March - 11th April
Entry forms & details of judging in
Centres (Post cards only) from:
The National Art Competition
The Royal Academy
17 Carlton House Terrace,
London SW1Y 5BD
Tel: 01-235 8844

Richard Morrison

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ART AND
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BOOK RECORDS
Growing old with confidence

BOOK RECORDS
Thinking man's piano

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GELI



REVIEW

St Bob the unmockable

PAPERBACKS

Is That It? by Bob Geldof (Penguin, £3.95)

"Ah, Mr Geldof," said the Prime Minister in gracious tones. "I think it's wonderful what you've been doing with the Band Aid record." Geldof's response was to the point. "Thank you Prime Minister, but I was reading in *The Times* the other day that you were planning to spend £10m disposing of surplus EEC butter. Don't you think that's ridiculous?" The gracious exchange became less gracious. "Mr Geldof," said Mrs Thatcher icily, of the starving Ethiopians, "they can't eat butter." "They can eat butter oil," retorted Bob. "I was saying the unsayable!" he thinks afterwards, amazed at the simplicity of such a confrontation. An obstinate realist, Geldof discovered a way of getting things done: cut aside red tape and etiquette, state a truth and gamble on it against a hundred bureaucratic obstacles. *Is That It?* is his autobiography, told with intelligence and wit, and without self-aggrandisement. "I'm not bloody St Teresa," he snaps as people begin to address him in tones of gloomy reverence, on the point of trying to kiss the hem of his jacket. In Canada things look up: Geldof becomes a music journalist, then back in Ireland he forms a band called the Night Life Thugs. Fortunately they changed the name to Boomtown Rats and the rest is more or less history. The moment he was famous — shades of the future — he seized the opportunity to say



what he thought: as on *The Late, Late Show* (the biggest television show in Ireland), Ireland "supplies in a sea of self-pity and hypocrisy," he declared: the first and least of many inflammable statements. Upstart is succeeded by greater uproar, and he is denounced in pulpits. "Let us pray for the soul of this poor, demented boy..." *Is That It?* is a marvellous autobiography. Geldof writes about his childhood in finely sensitive detail, and gives the

feeling of the era, the atmosphere of places. Towards the end the pace changes: it is impossible to put down, and to my surprise it becomes very moving — the visits to Ethiopia, the response that gathered momentum, and the battle (with individuals and institutions) Geldof fought for Live Aid. The end of the book he is writing wonderfully. Miraculously his tone is never sanctimonious. It is always too dry, too caustic. It is as if he has one eye cocked for an imaginary audience.

Kathy O'Shaughnessy

ROCK RECORDS

Growing old with confidence

James Brown Gravity (Scotti Brothers SGT 57108) Frankie Goes to Hollywood Liverpool (ZTT 108)

What a difference a bit makes. With the aid of the "Living in America" songwriting team of Dan Hartman and Charlie Midnight, James Brown has assembled an album that draws selectively on both his 30 years' experience and the benefits of the latest technology. *Gravity*, produced by Hartman, categorically re-instates the old troubadour as a contemporary force, with which to be reckoned. From the tough glottal vocals of "Let's Get Personal", where he trades lines with an inebriated Alison Moyet, to the breakneck impetus of "Turn Me Loose, I'm Dr. Feelgood" with its loose-wristed rhythm guitar counterpointing the blasting horn crescendos, Brown exudes a new confidence in every nuance of his performance.

There are even a couple of ballads in the "Man's World" idiom where Brown rediscovered his talent for singing as opposed to his more familiar grunt and stab vocal style. "How Do You Stop", with Stevie Winwood returning on synthesizer and "Return to Me", replete with huge fanfares from the vibrant Up-town Horns, are classic Godfather of Soul material for the mid 60s, and "G-R-A-V-I-T-Y" scans, appro-



James Brown: troubadour privately enough. Just like "R-E-S-P-E-C-T". Frankie Goes to Hollywood have hit their mid-life crisis with only their second album, *Liverpool*, with its cumbersome heavy pop rock sound, betrays both a poverty of imagination and a fumbling lack of direction and momentum. Ponderous introductions give way to clanging guitars and galumphing bass patterns in "Kill The Pain" and "Warriors of the Wasteland", while Holly Johnson sounds like David Bowie one minute on "Rage Hard" and then like Jim Kerr the next on "Lunar Bay".

The most depressing aspect of *Liverpool* is the way in which it denotes such a swift decline from the initial jaunty, vaguely shocking approach that made them a minor phenomenon of their day to the set-piece routines of a group firmly cast in the new establishment mould. Perhaps they should try living in America.

David Sinclair

JAZZ RECORDS

Thinking man's piano

Paul Bley Fragments (ECM 1320) Jon Hassell Power Spot (ECM 1327)

Paul Bley's contemplative piano style may have provided the initial inspiration for the chamber-jazz idiom associated with the ECM label, but he at least need not be blamed for the vacuous smugness of the "New Age" music that in turn sprang from ECM's unexpected international success. *Fragments*, with which Bley returns to the label after an absence of some years, shows him still to be operating with an intellectual curiosity utterly alien to the New Agers.

True enough, those unfamiliar with the pianist's career might find it hard to believe, on this evidence, that his first recordings as a leader were accompanied with the assistance of such non-sensate partners as Charles Mingus and Art Blakey. That was more than 30 years ago, though, and the blues-and-boogie school of jazz appreciation will find little to detain them as Bley, John Surman (reeds), Bill Frisell (guitar) and Paul Motian (drums) converse

with all the boisterous abandon of a bunch of Zen masters.

Constructed in cadences rather than bars, the music hovers and drifts like thin mist, at its heart the contrast between Frisell's marvellous repertoire of timbral effects and Motian's ability to suggest momentum without defining a pulse. Surman makes a considerable contribution, and Bley's crystalline touch and refined sense of balance are the music's keel and rudder.

To those for whom Bley's austere meditations represent the antithesis of flesh-and-blood jazz, I must add this caveat: stay away from Jon Hassell, too. That might be more difficult, though, since the commercially potent aura of ECM surrounding *Power Spot* could be just what is needed to bring the outstandingly original music of this American trumpeter to a wider audience.

Hassell plays his trumpet through an electronic device which sandblasts his tone, smooths away his attack and permits him to make his lines ululate like the voice of an Indian classical singer. Produced by Brian Eno and Daniel Lanois, the album pares away some of the background effects heard on Hassell's earlier recordings, leaving only echoing percussion and almost subliminal electronics. Sympathetic ears will find it spellbinding.

Richard Williams

Hark the heralds

Now Lord Birkenhead Saved the Heralds by Anthony Wagner (Stationary Office, £2.50)

The Home Office once looked at Her Majesty's College of Arms in a distinctly jaundiced way, believing that it should become a department of the Home Office. However, even before it began to manifest its malevolent interest in the college, it was advocated in an article in *The Times* in 1969 that the activities of the college should be investigated by a Parliamentary Commission.

It was not until 1902 that the Home Office secured the appointment of a Parliamentary Committee to look into the Fees of Honour paid to the heralds by recipients of honours, and also into the running of the college generally.

Although the committee did not upset the status quo, it removed a source of income from the officers and they sought other ways of making ends meet: ways that sometimes occasioned considerable criticism. This enabled the Home Secretary in 1927, Sir William Joynson-Hicks, to set up a secret Cabinet Committee to inquire once again into the activities of the heralds. He made no bones about his own views, as witness this excerpt from a minute of his: "Consider if we can smash the College ourselves by an Act of



Coats of arms: the author (left) and fellow heralds on the defensive in the secretive 19th century

Parliament, or whether a Royal Commission is needed first. It cannot go on much longer as a money-making scandal."

It is at this point that Wagner (Sir Anthony, Clarenceux, and formerly Garter King of Arms) takes up the story in this booklet. When he wrote *Heralds of England* (HMSO, 1967) the Cabinet papers were still secret, so he was then unable to relate the story of the 1927 committee. Now that the papers have been released, he divulges what happened and how it was that at the conclusion of the inquiry, thanks to the able chairmanship of Lord Birkenhead, the committee was able to report that the objections to putting the Officers of Arms on fixed salaries outweighed any advantages that might result from such an action.

Although I could have wished for more verbatim quotations from the Cabinet papers, Wagner does, as might be expected, a competent job in unveiling yet another fascinating episode in the turbulent history of the latest effort at bashing the heralds, attempted by Lord Teviot when he introduced a bill into the House of Lords in 1975, designed to impose upon the college what we considered impossible obligations. The bill was defeated by 49 votes to 28.

I hope bashers as well as supporters will read this booklet, as it may persuade them that the time has come, especially now that the Home Office and the college are almost on David/Jonathan terms, to lay down their arms and surrender to ours.

John Brooke-Little

Norroy & Ulster King of Arms

Taken by surprise in dreamland

BOOKS IN BRIEF

The Good Apprentice by Iris Murdoch (Penguin, £3.95)

Nothing is obvious in an Iris Murdoch novel. Coincidences and surprising choices govern events, and as readers we are often required to consider those choices in surprising ways. In this novel the main characters are two young men who have been brought up as brothers but have very different holds on life. One of them, Edward Baltham, is suffering agonies of guilt since his best friend jumped out of a top floor window. The other, Stuart Cuno, is a man obsessed with the need to be and do good. Edward escapes to a fantasy house by the sea, but Stuart rescues him from it and returns him to life.

The Elected Member by Bernice Rubens (Abacus, £3.50)

"If patients are disturbed", says R.D. Laing, "their families are often very disturbing". Bernice Rubens takes this for her text and elaborates the theme. Norman Zweck is the victim of a claustrophobic Jewish family. As a child he is clever, charming and handsome, becoming a successful barrister. But a nervous breakdown turns his life into a daily see-saw between terrifying hallucinations and powerful drugs. His illness is described with a blend of sympathy and exasperation through the

thoughts of his father and sister.

The Taking of Agnes by Jennifer Potter (Abacus, £3.50)

Agnes is young and beautiful. She goes to stay with her aunt in Martinique and disappears. Is she a victim of terrorism or colonialism? Or is she just a casualty of the sort of sexual and moral decadence that may be the product of an insecure society? This novel is both a thriller and a satire, with a skilfully constructed story.

The Swimming Pool Season by Ross Tremain (Sceptre, £2.95)

It is one thing to build swimming pools for people living in the suburbs of southern England, but quite another to build them up against the cowsheds and hedges of rural France. Yet Larry Kendall does not see this. He goes to live in a French village and start a new life after the collapse of "Aquarelle", his pool construction business, and the one thing he longs to do there is to design and build the best pool yet. Conveniently at this point his wife has to return to Oxford to nurse her sick mother, to readjust to her home town, and to decide where she really belongs. Although the various antics and intrigues are clearly and sometimes comically described, it is all rather inconclusive. Even the new swimming pool gets filled in.

Anne Barnes

THE TIMES ARTS DIARY

Operatic fireworks

An unusual performance of Rossini's *Otello* will take place next month to mark the 150th anniversary of the death of Maria Malibran, the distinguished and controversial soprano of the bel canto era. The concert in St John's Smith Square celebrates the occasion in Paris in 1831 when Malibran sang the title role, challenging her great rival Wilhelmine Schröder-Devrient who sang Desdemona. The two were said to have struck sparks off each other, adding competing trills and ornaments to their roles. Two modern-day sopranos will attempt to recreate the fireworks.

Crazy gang

The *Goon Show* is attracting a new wave of intellectual interest among bright young things. Ex-Goon Michael Bentine recently informed an earnest student that its effervescent humour was inspired merely by the delight of a group of crazy guys at having survived the war. Actually, he had been asked to identify "the leitmotif of the Goons' iconoclastic undercurrent".

Organisers of the Peking Opera tour of Britain are urgently seeking sponsors to meet the orientals' apparently insatiable appetite for chocolate. Their contract stipulates that to maintain sugar levels during their exhausting performances, each member of the 72-strong company receives four bars a day, which works out at 172 pounds of chocolate a week.

Finding funds

English National Opera is the latest prestigious company to feel the pinch of constraints on government support. A first annual fund-raising drive is planned for next month with a target of £200,000. Managing director Peter Jonas, complaining that the opera's subsidy is falling far short of inflation, says the public appeal is vital to ensure a wide-ranging repertoire at accessible ticket prices.

Jonas is likely to evoke sympathy from the Royal Opera House, where chairman

Sir Claus Moser is maintaining his campaign for more public spending on the arts. No government in Europe, he says, should try to pass the responsibility to the private sector.

Final curtain

My invitation for ideas for Sir Peter Hall's farewell production at the National Theatre is eliciting an assortment of serious and irreverent suggestions. A bottle of bubbly to the Canterbury reader who expresses appreciation for Sir Peter's imaginative interpretation of Shakespeare and, with no apparent irony, proposes *The Tempest*. More winners next week.

Gavin Bell

"Sheer Geldof... loud-mouthed, honest, button-holing, obscene, compassionate, compelling"

—BOB—
GELDOLF



IS THAT IT?

And now, it's in paperback

£3.95

Hunter Davies in the Standard



Stockhausen family affair

CLASSICAL RECORDS

Mozart: Flute Concerto in G, Haydn Trumpet Concerto, Stockhausen: Oberlippentanz Kathinka Pascher, Markus Stockhausen, Berlin Radio SO (Stockhausen Acania 40.23.543)

Gavin Bryars: Three Viennese Dances Paschal Poncy, Charles Fultbrook, Gavin Bryars, Arditi Quartet ECM 1323

Stockhausen conducting Mozart? Perhaps it is more a case of Mozart conducting Stockhausen, leading him Papageno-like into strange airs. There would seem to have been two distinct reasons why the grandfather of the avant-garde should suddenly be presenting himself in the unlikely role of classical conductor and even cadenza writer, since all the embellishments in these new recordings of Mozart and Haydn are by him.

In the first place, there is the fact that his extended family includes a number of proficient, if not in this repertoire altogether remarkable, soloists: the trumpeter in the Haydn is his elder son Markus, the Michael of his operas *Donnerstag* and *Samsag*, while the Mozart flautist is Kathinka Pascher, a young Dutch musician who joined his entourage quite recently and gained important parts in *Samsag*.

Their performances here lack fluency and interesting phrasing, though they may be put off by the ponderousness of the accompaniments as conducted by Stockhausen senior. As it is, the most extraordinary moments by far are the cadenzas, which immediately reveal the second reason for Stockhausen's concern with this music: the fact that his method of composition, with melodic "formulae", used in all his works since 1970, gives him the means to enter into a dialogue with the 18th century. It is simply unfortunate that the terms of that dialogue are overwhelmingly those of Stockhausen's humour at its most heavy-handed, though there is one nice moment in the first movement of the Mozart concerto where he twists a theme into the rising scale of Papageno's pipes.

There is a scrap of original Stockhausen as filler on the trumpet side, and here, able to use mutes and a greater variety of colour, Markus



Stockhausen reprise: Markus, left, and Kathinka

Stockhausen seems a more considerable artist. The piece is *Oberlippentanz*, about which the sleeve note gives no information at all. In fact it is a moment from *Samsag* where Michael enters to protest instrumentally against one of Lucifer's ceremonies.

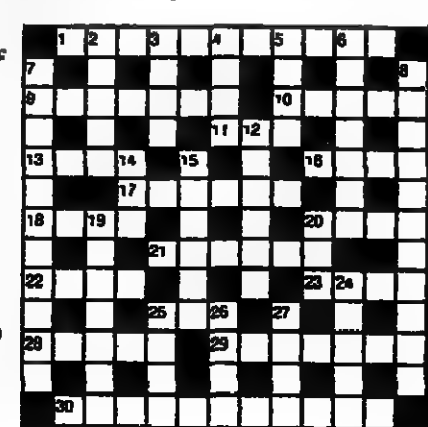
The Gavin Bryars record is thoroughly enjoyable: minimalism with a human dimension of whimsy, and with ravishing beauty of sound. The title has very little to do with the music (which is that not true?), which is chimes pieces for horn and chimes percussion, and for string quartet, all bathed in the glow of the harmonic series.

Paul Griffiths

CONCISE CROSSWORD NO 1083

Prizes of the New Collins Thesaurus will be given for the first two correct solutions opened on Thursday, October 23, 1986. Entries should be addressed to The Times Concise Crossword Competition, Pennington Street, London, E1X 9JZ. The winners and solution will be announced on Saturday, October 25, 1986.

- ACROSS
- 1 Movement to music (11)
 - 9 Opposite word (7)
 - 10 Indistinctly (5)
 - 11 Famous sheep (3)
 - 12 Twenty quires (4)
 - 13 Deer tail (4)
 - 17 Loyal song (6)
 - 18 Fifth (4)
 - 20 Failure (4)
 - 21 Stick (6)
 - 22 Fine powder (4)
 - 23 Extinct ground bird (4)
 - 25 Female elephant (3)
 - 26 Stagger (5)
 - 29 Jewish state citizen (7)
 - 30 Rubaiyat poet (4,7)



- DOWN
- 2 Extreme (5)
 - 3 Skein (4)
 - 4 Inspired (4)
 - 5 Created (4)
 - 6 Laughable (7)
 - 7 Twaddle (11)
 - 8 Night fear (11)
 - 12 Venomous fish (6)
 - 14 Small carpet (3)
 - 15 Artist's workshop (6)
 - 19 Speaker's dais (7)
 - 20 Cave food (3)
 - 24 Last Greek letter (5)
 - 25 Scorch (4)
 - 26 Desire (4)
 - 27 Squirrel's nest (4)

SOLUTION TO NO 1082

ACROSS: 1 Canvas, 5 Thrown, 8 Car, 9 Vener, 10 Injury, 11 Sun, 12 Melchior, 14 Calmly, 17 Coyote, 19 Cape Town, 22 Scan, 24 Patten, 25 Inmate, 26 Can, 27 Oboe, 28 Co-kart, 29 DOWNS: 2 Alert, 3 Vietnam, 4 Strumpy, 5 Trial, 6 Ragat, 7 Worn-out, 13 Co, 15 Arm, 16 Lot, 17 Cunning, 18 Yashmak, 20 Extra, 21 Ounce, 23 Alhar.

The winners of prize concise No 1077 are: the Mrs M. Taylor, Lively Drive, West Ella, Hull, and Mr Kevin Henniques, Ambassador Court, Crown Terrace, west London.

SOLUTION TO NO 1077 (last Saturday's prize concise)

ACROSS: 1 Four Hundred, 9 Infidel, 10 Noise, 11 Yet, 13 Lion, 16 Nazi, 17 Squirm, 18 Amah, 20 Shoe, 21 Quince, 22 Prow, 23 Taps, 25 SAS, 28 Thigh, 29 Primer, 30 Netherlands, 31 Loyal song, 32 Venomous fish, 33 DOWNS: 2 Alert, 3 Vietnam, 4 Strumpy, 5 Trial, 6 Ragat, 7 Worn-out, 13 Co, 15 Arm, 16 Lot, 17 Cunning, 18 Yashmak, 20 Extra, 21 Ounce, 23 Alhar.

Name _____ Address _____

THE WEEK AHEAD



GALLERIES

LATE CANVAS: Walter Sickert photographed at his studio in Broadstairs, Kent, in his 79th year. An irascible man but a sensitive artist, he made his reputation as the leading British exponent of Impressionism. This exhibition of late portraits and theatrical paintings has been mounted in celebration of a series of lectures he gave to the Thanet School of Art and demonstrates his change of style in old age. Ramsgate Library Gallery, Ramsgate, Kent (0843 223620), from today.



DANCE

CALIFORNIA SPLITS: Cynthia Harvey dances the Fonteyn role in the Royal Ballet's revival of Frederick Ashton's *Symphonic Variations*. Born in California, Harvey is tall, bold and strong. She trained at Balanchine's school in New York and danced for 12 years with American Ballet Theatre, where Baryshnikov, Bujones and Dowell were among her partners. Ashton's lyrical style will be the crucial test of how she matches her new company. Covent Garden (01-240 1066) tonight.



OPERA

LOOPY LUCY: Suzanne Murphy sings the title role in William Gastell's production of *Lucia di Lammermoor* for the Welsh National Opera. The Limerick-born soprano now has her home in Cardiff because of her long-term association with the WNO. She made her debut in 1976 with Constanze in *Entführung* and more recently she has taken to the mad ladies of the bel canto repertoire: deranged Lucia follows a highly successful Elvira in *Puritani*. New Theatre Cardiff (0222 32446), tonight.



BOOKS

FUTURE SHOCKS: Brian Aldiss, himself a leading practitioner of the genre, has produced in *Trillion Year Spree* a history of science fiction that is impressively comprehensive. He covers not only the literature, from Mary Shelley's *Frankenstein* to Frank Herbert, but sci-fi's contribution to the cinema and the work of artists such as Alex Schomburg, whose cover for the American magazine, *Fantastic*, is reproduced above. The book is published on Monday by Gollancz (£15 hardback, £9.95 paperback).



ROCK

HIGH TEX: Billy Gibbons guides ZZ Top on the British leg of a tour which started in Louisiana last January, and which kept them in the American top ten of box office receipts for the greater part of 1986. The Texans are continuing to enjoy the first flush of international popular acclaim after 16 years together, and this show draws on their considerable experience and surrealist wit. Tonight, Bingley Hall, Stafford (0785 47111); Mon, Tues, Wed and Thurs, Wembley Arena (01-902 1234).



FILMS

MISSION TRIUMPHANT: Robert Joffe came to the cinema from television and had an immediate success with *The Killing Fields*. His new film, *The Mission* (PG), was the surprise winner of the Golden Palm at the Cannes Film Festival. Robert De Niro and Jeremy Irons star in Robert Bolt's script of Jesuits and colonials fighting for supremacy in South America in 1750. Joffe directs with a fine eye for spectacle. Warner West End (01-438 0791). Screen on the Green (01-226 3520). From Friday.

CONCERTS

DEL MAR/LPO: Norman del Mar conducts the LPO in Mendelssohn's *Habibula* Overture, Handel's Royal Fireworks Music, Mozart's Symphony K 550, and Pachelbel's (piano) solos in Beethoven's "Emperor" Concerto. Barbican Centre, Silk Street, London EC2 (01-628 8795, credit cards 01-638 8891). Tomorrow, 7.30pm.

BRITTEN/TIPPETT: The former's Spring Symphony and the latter's Symphony No 4. David Atherton conducts. Royal Festival Hall, South Bank, London SE1 (01-928 3191, credit cards 01-928 8800). Tomorrow, 7.30pm.

BLANCHI'S BEETHOVEN: Luigi Alberto Bianchi solos in Beethoven's Violin Concerto, James Loughran conducts the LPO in Malcolm Arnold's *Tam O'Shanter* Overture and Dvorak's Symphony No 6. Royal Festival Hall, Tues, 7.30pm.

FRITCHARD/BBC SO: The BBC SO are conducted by Sir John Fritchard in Berlioz's *Les Francs-juges* Overture, Tchaikovsky's "Mammoth" Symphony, and Hansa Schwarz sings in Henze's orchestration of the Wagner *Wesendonck* Lieder. Royal Festival Hall, Wed, 7.30pm.

Anne-Sophie Mutter, the talented young violinist, plays the Bruch Concerto No 1 with the London Symphony Orchestra under the baton of Sir Yehudi Menuhin. The programme also includes Vaughan Williams's *Tallis Fantasia* and the "Enigma" Variations by Elgar. Barbican Centre, Mon, 7.45pm.

THEATRE

DAVE ALLEN LIVE: First West End appearance for five years by the popular comedian in a strictly one-man show, "Limited session" of 14 weeks. Albany (01-836 3878). Preview from Mon. Opens Oct 30.

LILLIAN: Frances de la Tour in William Luce's play, based on the autobiographical writings of Lillian Hellman. Directed by Corin Redgrave, this monodrama is having a series of previews "prior to a full West End run". Lyric, Shaftesbury Avenue (01-437 3686). Sun 4pm; Mon 3pm. Also Oct 26, Nov 2.

OPENINGS

BANGED UP: Comedy double bill by Tunde Akin, presented by Foco Novo. Roland Reese directs Trevor Laird and Tilly Vosburgh in *Soul Night* as childhood lovers who meet again years later, and in *Please and Thank You* as a new social worker and his first, suicidal, client. Young Vic Studio (01-928 6363). From Mon. Press night Wed.

BREAKING THE CODE: Derek Jacobi as World War Two code-breaker Alan Turing, in a new play by Hugh Whitmore, based on a book by Andrew Hodges, Michael Gough, Joanna David, Isabel Dean and Dave Hill are the other principals; Clifford Williams directs. Theatre Royal, Haymarket (01-930 8832). Previews today (matinee and evening). Mon. Opens Tues.

GLORIOUS THINGS: Newly commissioned "Victorian" play by David Allen. Jeffery Kissoon, John Moreno, Carolyn Jones and Sid Livingstone, directed by Ted Craig. Croydon Warehouse (01-680 4060). Preview Thurs. Opens Fri.

UNDER MILK WOOD: First London revival for many years

SELECTED

ROCKERY NOOK: Tom Courtenay oddly though effectively cast in Ben Travers's classic farce. Ian Ogilvy, Peggy Mount and Lionel Jeffries pile on the mayhem. Shaftesbury (01-379 5399).

THE PETITION: Brian Clark's routine nuclear-debate script is enhanced by fine acting from John Mills and Rosemary Harris. Directed by Peter Hall. Wyndhams (01-836 3028).

THE HOSTAGE: Brendan Behan's burlesque of low-life Dublin in a robustly boisterous revival. Tricycle (01-328 8628).

OUT OF TOWN

BOLTON: Operation Bad Apple: G. F. Newman's thriller is a fictional account of an investigation into corruption in the Metropolitan Police, conducted by a provincial force. John Adams directs. Octagon (0204 20661). Until Nov 1.

KIRKCALDY: What Every Woman Knows: Tom Fleming directs Una McLean, Maureen Beattie, Gerry Young in the Scottish Theatre Company's first ever J. M. Barrie play. First stop on tour. Adam Smith Theatre (0592 260486). Opens Tues. Until Oct 25.

LIVERPOOL: Gangster Show: Bertolt Brecht's *The Resistible Rise of Arturo Ui*, adapted by George Tabori, directed by Han Duijvendak, with Fidele Morgan as Ui and music by Percy Curme. Everyman (051-709 4776). Until Nov 15.

MANCHESTER: Edward II: Ian McDiarmid in the title role of Christopher Marlowe's play, directed by Nicholas Hytner. Royal Exchange (061-833 9633). Preview Wed. Opens Thurs.

FILMS

OPENINGS

LEGAL EAGLES (PG): Sophisticated comedy with slapstick trimmings from the director of *Ghostbusters*, Ivan Reitman, with Robert Redford and Debra Winger as two legal eagles working on a case involving New York's smart art world. Plaza (01-437 1234). From Fri.

GONE TO EARTH (PG): In deepest Victorian Shropshire, a wild girl, married to the local vicar, is seduced by the squire. Powell and Pressburger's 1950 film draws out the tosh in Mary Webb's novel, but bathes the action in visual splendour — accurately caught in this new print, restored by the National Film Archive. With Jennifer Jones, David Farrar, Cyril Cusack. Electric Screen (01-229 3694). From Fri.

PARTING GLANCES (15): 24 hours in the lives of New York's gay ruffians; written, edited and directed with realism, ease and skill by debuting director Bill Sherwood. With Richard Ganoing, John Bolger, Steve Buscemi. Screen on the Hill (01-435 0361). From Fri.

LATINO (18): Cameraman-director Haskell Wexler's first fictional feature since *Medium Cool* in 1970 — a pro-Sandinista drama following the fortunes of an American adviser to the Nicaraguan Contras, shot in Nicaragua during 1984. ICA Cinema (01-930 3647). From Fri.

SELECTED

MEN (15): Eloquent and perceptive comedy from the young German film-maker Doris Dörrie, with Heiner Lauterbach as the macho husband who takes up residence with his wife's new lover. Chelsea (01-351 3742), Renoir (01-837 8402).

ALPINE FIRE (18): The bizarre, intense story of an isolated Alpine family, directed by Fredi Murer — a key figure in Swiss cinema's renaissance. Everyman (01-435 1525), until Thurs.

JAZZ

MCCOY TYNER: His work with John Coltrane's classic quartet of the early 1960s influenced countless pianists. Next week he shares the bill with a group representing the young generation of British jazz musicians. Tonight and Mon-Sat, Ronnie Scott's Club, 47 Frith Street, London W1 (01-439 0747).

LOOSE TUBES: Django Bates, Steve Berry, Dave Defries, Iain Bellamy, and 17 other young Turks make up an orchestra bursting with ideas. Unmissable. Tonight, Gardner Arts Centre, Birmingham (021 359 3979); Wed, Octagon, Sheffield (0742 24076); Thurs, Trades Club, Leeds (0532 620629); Fri, Dunelm Ballroom, Durham (0385 43720).

LESTER BOWIE: Best known as the trumpeter with the Art Ensemble of Chicago, Bowie leads an ensemble featuring eight brass players and one drummer, specializing in ironic versions of such early rock 'n' roll favourites as Fats Domino's "Blueberry Hill". Thurs, Town and Country Club, 9-17 Highgate Road, London NW5 (01-267 3334).

FILMS ON TV

WAY DOWN EAST (1920): D. W. Griffith's classic tearjerker with Lillian Gish as the hapless country girl saved from a fate worse than death (BBC2, today, 2.10-4.15pm).

I MARRIED A WITCH (1942): Fredric March and Veronica Lake in Rene Clair's dazzling comic fantasy (Channel 4, Wed, 2.30-4pm).

THE TALL T (1957): Fine, spare Western uniting the talents of Randolph Scott and director Budd Boetticher (BBC2, Wed, 6-7.15pm).

IT ALWAYS RAINS ON SUNDAY (1947):

Googie Withers sheltering old flame John McCallum from the law in Robert Hamer's slice of East End life (Channel 4, tomorrow, 10.20pm-12.05am).

LOOKING FOR MR GOODBAR (1977): The double life of Diane Keaton, teaching deaf children by day and seeking casual pick-ups by night (BBC2, tomorrow, 10.25pm-12.35am).



Freddie Jones in Federico Fellini's 1983 film, *And the Ship Sails On* (BBC2, today, 9.25-11.30pm), a symbolic fantasy built round a disparate group of passengers on a luxury liner. It shares a double bill with *Lights of Varyity* (11.30pm-1.10am), a mordant look at the world of vandytes which marked Fellini's directing debut in 1950. The films launch a BBC2 Fellini season.

GALLERIES

OPENINGS

PAINTING IN SCOTLAND: Paintings of the Scottish Enlightenment, including Ramsay, Raeburn and Wilkie. Tate Gallery, Millbank, London SW1 (01-821 1313).

NEW ARCHITECTURE: A world where the British architects Foster, Rogers and Strling's dreams come true, mainly in miniature but sometimes full scale. Royal Academy, Piccadilly, London W1 (01-734 9052).

VERUSCHKA:

Exhibition by 1980s model-turned-artist consisting of photographs of her own body, skilfully painted to blend in with backgrounds like greenery and brick walls. Anne Berthoud Gallery, 10 Clifford Street, London W1 (01-437 1645). From Wed.



A funny thing happened on the way to the music-hall: Laurence Olivier, left, and Brian Glover in *Lost Empires*

Variety behind the scenes

That novel of the pre-1914 variety stage, *Lost Empires* by J. B. Priestley, was a certainty for screen adaptation the moment the final word was penned. The only surprise is that it has taken 20 years. The rights were bought originally by the producer, Victor Saville, and a movie starring Tom Courtenay was announced in the late 1960s. Saville died and the rights passed to another producer, John Woolf, but still no film.

Then the late Cecil Bernstein, whose own family was steeped in the variety theatre, took a shine to the novel and bought it for Granada Television. That was some seven years ago. The delay now was partly because a rival company, Yorkshire, had lined up its own Priestley adaptation, *The Good Companions*.

The other consideration was cost. Occupying eight hours of screen time and with a huge cast, *Lost Empires* was going to be an undertaking on the scale of Granada's previous excursions into the prestige series, *Brideshead Revisited* and *The Jewel in the Crown*. In the

event, Priestley's saga will see very little change from £4 million. In bringing it to the screen, the writer Ian Curteis (he of the shelved BBC Falklands play) made one significant alteration. Priestley's prologue takes place in the present day. Curteis has set his in the trenches of the First World War. It is a valid switch, emphasizing that more than just the empires of variety were lost when battle was joined in 1914.

"The golden age has gone, lad," Uncle Nick, the illusionist, tells his young nephew, Richard Hernecastle. "We're slithering into a bog, slithering fast and no one's stopping us."

The producer, June Howson, calls *Lost Empires* "sheer entertainment". Out goes the gritty realism of cobbled streets and men in vests. This is a gaudy, flamboyant, romantic world, even if it is built on make-believe. Much of the pleasure of the series is derived from the recreation of period, not least through the halls that do survive, like the Grand in Blackpool and the Palace in Manchester.

The task of glueing the show together,

since he is rarely off-screen, falls to Colin Firth whose best-known television role to date was in William Boyd's *Dutch Girls*. He plays Hernecastle, the aspiring painter who joins his uncle's act and has his innocence shattered, by back-stage jealousies and a trio of pretty women.

Tommy Beamish, billed "the funniest man in England", is splendidly portrayed by Brian Glover. Since Priestley does not describe Beamish's routine, Glover had to invent one. His mentors were chums from the Water Rats and a leading stand-up comic of today, the *Hi-De-Hi* star, Paul Shane.

While Beamish is at his bill-topping peak, another comic is on the skids, each pathetic performance greeted by boos and missiles. The tragic Harry G. Burrard, "eccentric comedian", inspires a brilliant cameo from Laurence Olivier that recalls his previous study of a music-hall failure, Archie Rice.

Peter Waymark

Lost Empires starts on ITV on Friday (8.30-10.30pm)

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DANCE

NORTHERN BALLET: THEATRE A coup this week: the first ballet company to appear at Glyndebourne. The occasion is the opening of a new *Swan Lake*, produced by André Prokopy. Princess Margaret attends the gala premiere Tues; further evening performances until Oct 25, with matinees Oct 25, 26.

GILBENQUAN BALLET: From Lisbon, returning to London for one week, from Tues, with two programmes of works by Christopher Bruce, Louis Falco and Hans van Manen. Salford's Wells (01-278 8916).

DANCE UMBRELLA: Highlights this week are a French company, Gré-Ange, Wed, Thurs at Riverside (01-746 3354); American solists Tim Miller (Mon-Wed) and Dana Reitz (Wed, Thurs at Arncliffe, Bristol; Fri, Oct 25 at ICA). Full season details on 01-741 4040.

ON TOUR: Sadler's Wells Royal Ballet opens its autumn tour at the Empire, Sunderland (0783-42517) with *Swan Lake*. London Festival Ballet is at the New Theatre, Hull (0482 23638) today and the Palace, Manchester (061 266 9822) Mon-Oct 25 with Coppelia. Programmes of modern works are given by Ballet Rambert at the Apollo, Oxford (0865 244544) today, and the Royal, Plymouth (0752 669595) Tues-Oct 25.

TELEVISION

FROM EAST TO WEST: Four-part series on the impact of the Orient on European music, presented by Simon Pottle and the City of Birmingham Symphony Orchestra. BBC2, today, 8.25-9.25pm.

THINKING ALOUD: Return of the cerebral chat show under new chairman,

ROCK

Michael Ignatieff, Helena Kennedy, Juliet Mitchell, Michael Neve and Roger Scruton discuss sexual morality. BBC2, tomorrow, 5.50-6.30pm.

GOOD AS GOLD: Brian Finch's play about the agonies of a 14-year-old swimmer (played by a TV newcomer, Jane Morris) as she is pushed to the limit by an ambitious coach (David Calder). BBC2, tomorrow, 9.05-10.25pm.

EXECUTIVE STRESS: Geoffrey Palmer and Penelope Keith lead George Layton's new sitcom about a successful publisher whose wife wants to make her own career. ITV, Mon, 8-8.30pm.

CRY HUNGARY: The abortive revolution of October 1956 recalled by those in the thick of it. BBC1, Wed, 9.35-10.50pm.

RADIO

RADIO TIMES COMEDY PARADE: The best entries from a competition to find new comedy writers. You Start 7, Join In, about two club musicians, is by David Bond and Paul Hawksbee. Radio 4, today, 11.30pm-midnight.

ABERFAN: Vincent Kane, who reported the Welsh coalpit disaster 20 years ago, returns to the area and discovers that the psychological wounds have still not healed. Radio 4, Tues, 8.30-9pm.

BOOKINGS

FIRST CHANCE

ROYAL OPERA: Postal booking open for December performances of *Das Zauberkinder*, *Samsen*, and *Lucie di Lammermoor*. Phone/personal booking from Nov 4. Royal Opera House, Covent Garden, PO Box 6, London WC2 (01-240 1066, 01-240 1911).

ROYAL BALLET: Postal booking open for *The Nutcracker* and triple bill including David Bintley's *Young Apollo*, and world premiere of new Wayne Eagling ballet, Dec 2-Jan 3. Phone/personal booking from Nov 4. Royal Opera House, Covent Garden, PO Box 6, London WC2 (01-240 1066, 01-240 1911).

AVON POETRY FESTIVAL: Booking open for programme of poetry and music, including "Verse Aid" (weekend of poetry reading with surprise celebrities in aid of charity). Nov 1-3. Festival Office, Clifton Library, Princess Victoria Street, Bristol (0272 744888).

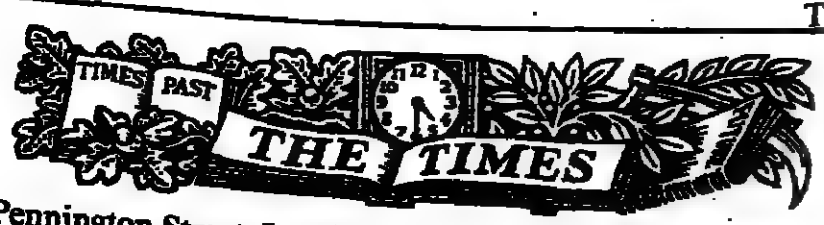
GWYL LLANELLI FESTIVAL: Booking open for 8th festival, with performances by Roth String Quartet, Humphrey Tylton Band, and piano recital by John Bingham. Nov 8-15. Theatre Elli, Station Road, Llanelli (0554 774057).

LAST CHANCE

CANTERBURY FESTIVAL: Ends tonight with Mollie's *The Miser* at Marlboro Theatre with Warren Mitchell and Pamela Fielding; concert by Conservatoire de Reims; and Beating the Retreat and fireworks display. Forward Bookings, 37 Palace Street, Canterbury (0227 455600).

SWANSEA FESTIVAL: Ends tonight with concert of Haydn and Sibelius with Philharmonia under conductor Esa-Pekka Salonen. Brangwyn Hall, Civic Information Centre, Singleton Street, Swansea (0792 468321).

For ticket availability, performance and opening times, telephone the numbers listed. Bookings: Anne Whitehouse; Concerts: Max Harrison; Dance: John Percival; Films: Geoff Brown; Films on TV: Peter Waymark; Galleries: Sarah Jane Cheekland; Jazz: Richard Williams; Opera: Hilary Finch; Radio: Peter Waymark; Rock: David Sinclair; Television: Peter Waymark; Theatre: Tony Patrick and Martin Cropper.



1 Pennington Street, London E1 9XN Telephone: 01-481 4100

MR LAWSON IN THE CITY

The financial markets were disappointed by the Chancellor's annual oration at the Mansion House. Having tasted red meat on Tuesday with a rise in interest rates of 1 per cent, they were in no mood to settle for a soufflé on Thursday. Nevertheless, when viewed from a wider perspective than that of the financial traders in the Square Mile, Mr Lawson's speech did not lack good news on the economy.

Much the most cheering aspect of recent economic developments has been the fall in unemployment, even if one month's figures are a notoriously fallible guide to what is going on. Most of the improvement seems to come from the special employment measures, and in particular from the Restart scheme for the longer term unemployed which was extended through the whole country at the beginning of July.

One effect of this has, of course, been to shake off the register those who, because they already have some form of employment, should not have been on the register in the first place. This reduces the cost of social security payments. It reduces the extent of misinformation about the real level of unemployment and it helps to stop the dangerous process by which the welfare safety-net is being brought into disrepute.

Removing people from the unemployment register who should not have been on it in the first place is not the same thing as finding jobs for the much larger number who really are looking for a job. The Government's special employment measures may help some of those, too, but the most important requirement is a revival in growth in the economy following the pause arising from the drop in oil prices.

Mr Lawson reiterated at the Mansion House his view that output growth next year would be faster than this year. It should also be better balanced. Domestic demand is expected to continue at about this year's level, but exports should recover along with the level of world trade.

In recent years Britain has retained its share of the volume of world trade in manufactured goods, in contrast to the decline for many years previously. Despite what Mr Lawson called the "freak" trade figures last month there are signs that exports have resumed a vigorous rate of growth.

If the economy is gathering pace there is also some slight evidence that a little more of the benefit will accrue to the unemployed. Pay increases appear to be slowing down to something a bit closer to the

current rate of inflation.

The worries in financial markets understandably have much more to do with the future value of money — their staple commodity — than with the real economy. Yesterday's inflation figures showed a small rise from 2.4 per cent to 3 per cent annually. The increase owes a good deal to the somewhat capricious effect of mortgage rates which fell a little over a year ago so reducing the year on year rate of inflation until now.

More worrying is the impact of the fall in sterling on inflation in the months to come. This is at the heart of the market's fears and is why money markets yesterday were signalling another rise in interest rates.

The Government, at least in its rhetoric, has accepted a greater degree of volatility in interest rates than in the past as the price of ensuring that financial conditions continue to bear down on inflation. That was the explanation for abandoning the system of fixing an official Minimum Lending Rate, though in practice interest rates have continued to be managed. Should a further rise in interest rates be necessary it must be presumed that the Government will accept it as readily, if with less enthusiasm, as the subsequent reductions.

To imply that nuclear war would be waged in a manner unrelated to the achievement of rational war aims (whatever these might be and however deplorable) is to credit nuclear weapons with even more influence over mind than they have over matter, which is why our thinking on the subject is generally in such a disaster.

If an aggressor needs resistance, hostilities are prosecuted with mounting severity and pressure is increased until he achieves a submission, or until he is effectively repulsed, or until he recognises that his aims are unattainable at tolerable cost, or until both sides accept the futility of further conflict. To this extent, and having in mind much curious talk about "limited nuclear war", one may say that all wars are limited, in that they are not pursued until all weapons on all sides are exhausted.

So, unless nuclear weapons — for reasons that again no one has yet explained — represent some sort of behavioural watershed, the probability must be that nuclear war, should it ever come, will follow the classic course and will, in no one's eyes, be "limited".

No one can say at what point in any hostilities between East and

THE TESTIMONY OF A POET

On October 10, reported the BBC Russian Service this week, the London-based Institute for the Study of Religion in Communist Lands, Keston College, received an unexpected telephone call from the Russian poet, Irina Ratushinskaya. It was unexpected because Miss Ratushinskaya was serving a long prison sentence. She had telephoned to announce her release.

From Miss Ratushinskaya's experiences, both as a dissident poet and as a political prisoner, we can learn a great deal. At the age of 24, she first read the poems of the renowned Russian poets Mandelstam, Akhmatova and Tsvetaeva and these made a great impression on her. She began to write her own poetry which was published in *samizdat* and in Russian journals abroad. In December 1981, she was sentenced to ten days' detention for her part in a human rights demonstration in Moscow on behalf of Andrei Sakharov.

For this she was sentenced to 10 days' detention. Two years later, she stood trial again under Article 70 of the Russian Republic's Penal Code (anti-Soviet agitation and propaganda) and was sentenced to seven years in a strict-regime labour camp, followed by five years' internal exile.

Her prison experiences were dreadful by any standards. Between December 1983 and February 1984, she spent 39 days in the punishment cell. In August 1983 she went on hunger strike in protest against

the refusal of the prison authorities to allow her husband to visit her. A month later she was force-fed. Her health deteriorated and she developed serious illnesses needing urgent medical treatment. It is difficult to recall at times that this punishment was meted out to a young woman whose sole crimes were writing poetry and demonstrating for the human rights guaranteed under the Helsinki agreement.

Her plight became known in the West and groups for her defence were established, in both England and the United States. Demonstrations calling for her release on 'health grounds' were organised in New York and Chicago and, earlier this year, a reading of her poetry was held outside the Soviet Embassy in London, to coincide with the publication of a volume of her poems. On the fourth anniversary of her arrest this year, an all-night vigil was held in a London church and her poems read.

How futile such campaigns must often seem even to those who devote such time and energy in organising them? Meetings are booked, leaflets printed, celebrities persuaded to lend their name or presence, journalists solicited to take an interest — and with what results? It is a minor triumph if a newspaper diary carries a paragraph about the case or a radio news programme grants the campaigners a 10 minute interview. In dark moments, they must wonder if the Soviet embassy even bothers to report home on their Lilliputian efforts.

Yet the campaign on behalf of Irina Ratushinskaya succeeded — and succeeded in more ways than one. Not only did Miss Ratushinskaya obtain her freedom, but shortly after her release, in an interview with Nikolai Kojenkov of the BBC Russian Service, she expressed her gratitude for the comfort which such campaigns had brought her in prison.

"Even at the worst times, even when I had no news from outside and even when I could not communicate with people outside at all, I sensed — we all did — almost physically, the love, and concern of other people. We were convinced that we were being looked after; we sensed that we were being supported from outside, even when there was no actual proof. It's hard to explain, but if people are thinking about you, even from very far away, you sense it and feel better for it — even if they are only thinking." It would be easy to dismiss this as a mixture of overflowing gratitude and the mysticism to which the Russians are allegedly prone. But Miss Ratushinskaya has good concrete, even cynical, reasons for her belief.

"When letters did not come, you knew something was going on. When I was singled out for special treatment, I knew there was extra interest in my case."

It could not have been said more clearly. The campaigns waged to help imprisoned dissidents hearten the prisoners and, even though it may take time, move the Soviet authorities, even those in the Gulag.

FOURTH LEADER

It is to be hoped that the Foreign Office has lost no time in reassuring the Chinese government that when the Duke of Edinburgh said, or did not say, that he thought Peking was ghastly, he was in no way referring to the Chinese capital Beijing. On the contrary, he had found Beijing an absolutely splendid place. The imaginative use of dripping concrete in its new shopping malls and high-rise flats was something he meant to tell the Prince of Wales about, while the dumper truck factory he had visited while there was easily the best he had ever seen.

No, no, it was Peking he had been referring to (or was it Pekin?), the place they had taught him about in Gerdons, full of dragons and junks, of funny-shaped buildings with roofs like gondolas and slitty-eyed men in pigmasks running over hump-backed bridges. He had found all that very boring indeed and, of course, nothing like the real thing.

It had been much the same in Sri Lanka, where he had derived immense enjoyment from the traditional dances performed by the Colombo masses schools, as well as the tours he had undertaken of that industrial estate on the outskirts of the city where they had perfected a new method for making cardboard boxes.

He had found this quite a revelation after Ceylon which, as he remembered well from those old Wills cigarette cards had been full of temples and elderly coolies in broad-brimmed hats picking Typhoid tea.

One day he hoped to go to Moskov which he was sure would be a far more congenial place than Moscow. The latter he knew to be quite dire, with its grey-faced men in off-the-peg suits, its superpowered women driving cranes and the queues for consumer durables. Moskov on the other hand was always white with snow, over which pretty young Czarinas in furry hats cracked whips over horse-drawn sleighs, while tall young men gazed through French windows into a Chekovian twilight and dreamed out loud of St Petersburg.

Then there was Munich, with its men in lederhosen drinking Loewenbrau out of jugs with lids and stepping their thighs in time to a brass band. München by contrast looked almost mundane with its housing estates and traffic jams. And whatever had happened to Rhodesia?

The Duke of Edinburgh is not the first to feel that something has gone out of travel since the days when the world was as flat and as pink as Mercator's projection. These seas were uncharted and lands

unexplored, and the people who lived there dressed differently.

In those days the Amazon was full of anacondas, not lumberjacks felling trees. Cowboys rode horses, eskimos canoes and Indians elephants while Arabs on dromedaries swayed past pale dunes under starry skies and would never have been seen dead in a lounge-suit. Now one suspects they all travel by Land Rover — or the Japanese equivalent — and buy vests on Oxford Street.

No girl in the South Seas would have worn anything other than a grass skirt, or a Japanese woman a kimono. All Frenchmen sported berets and blue and white hooped shirts. Italians sang, instead of making motor cars, while all Spaniards rapped castanets and Mexicans dozed in ragallón sombreros. As for China, nobody would have thought of eating anything but chop suey, riding by rickshaw or pronouncing his "R's" like his "L's". We were all so amazingly different.

Alas, it is thus no more, in the age of the Datsun and jumbo jet. Except in Beijing that is: Beijing was absolutely terrific, as the Duke would now like to make clear. It is to be hoped that the Foreign Office has explained how the confusion arose.

LETTERS TO THE EDITOR

Nuclear limits to the arts of war

From Air Marshal Sir Leslie Mavor

Sir, As Monsignor Bruce Kent (October 6) has reminded us, some of the great and wise have constantly sought to persuade us that should hostilities ever break out between East and West the use of nuclear weapons will follow as surely as night follows day, and that once into the nuclear battle, the process of escalation will be uncontrolled and uncontrollable.

Such a view not only ignores historical precedent and the reasons why wars are fought but overlooks the novel factor that both sides in any such conflict will know that, should escalation go all the way, each will be destroyed in the end by submarine weapon systems that cannot be knocked out. And to this seemingly inescapable prospect of assured mutual destruction is now added for better measure the life-extinguishing "nuclear winter", visited impartially on all for many long months after the event.

Assured mutual destruction plus "nuclear winter" is an unattractive — indeed incredible — war aim for any aggressor, and the possibility of losing these twin deterrents must surely add to the unlikelihood of our between East and West, though it does not entirely remove the risk: but should war ever come can one conceive of two more powerful factors acting together to constrain the expansion of nuclear operations, to ensure that these operations are matched, step by step, to the attainment of the immediate objective, offensive or defensive, and no more?

To imply that nuclear war would be waged in a manner unrelated to the achievement of rational war aims (whatever these might be and however deplorable) is to credit nuclear weapons with even more influence over mind than they have over matter, which is why our thinking on the subject is generally in such a disaster.

If an aggressor needs resistance, hostilities are prosecuted with mounting severity and pressure is increased until he achieves a submission, or until he is effectively repulsed, or until he recognises that his aims are unattainable at tolerable cost, or until both sides accept the futility of further conflict. To this extent, and having in mind much curious talk about "limited nuclear war", one may say that all wars are limited, in that they are not pursued until all weapons on all sides are exhausted.

So, unless nuclear weapons — for reasons that again no one has yet explained — represent some sort of behavioural watershed, the probability must be that nuclear war, should it ever come, will follow the classic course and will, in no one's eyes, be "limited".

No one can say at what point in any hostilities between East and

Concern at art school merger

From the President of the Royal Academy of Arts and others

Sir, In 1987, the National Advisory Body in Higher Education is to merge Wimbledon School of Art into Kingston Polytechnic. We believe that such a merger will do irreparable harm to a school of international renown; and to a very specific contribution on which the professions and industry have come to rely.

The proposal has been opposed by every sought opinion in art and design education, including the Council for National Academic Awards, and significantly, the NAB's own art and design working group.

The CNAA report to NAB speaks of the school's "distinctive and significant contribution to higher education" of the fine art courses as "excellent and with a high degree of professionalism", postgraduate courses as "the only ones of their kind" and the design courses as unique.

Some of us write as specialists and employers in film, theatre and television, design industries of ever-growing economic and international importance. In this field, Wimbledon makes an invaluable contribution. Its ex-students form a remarkably high proportion of our design teams and are also found in the major theatres and opera houses of the world. Its highly professional resources are unique in western Europe and have won international admiration.

The quality of Wimbledon is very much to do with the size and character of its institutional organisation — a close-knit, very intensive community, exceptionally cost-effective and with a breadth of highly specialised resources. This structure is not transferable.

May we urge, through your columns, that these destructive proposals be rejected.

Yours faithfully,
ROGER de GREY (President, Royal Academy of Arts),
PETER BLAKE,
PATRICK GEORGE (Slade Professor of Fine Art),
PETER HALL (Director, The National Theatre),
PATRICK HERON,
PHILLIP KING (Professor of Sculpture, Royal College of Art),
DAVID PUTNAM,
JOCELYN STEVENS (Director, Royal College of Art),
ROY STRONG (Director, Victoria & Albert Museum),
JOHN TOOLEY (General Director, Royal Opera House),
Royal Academy of Arts, Piccadilly, W1.

ON THIS DAY

OCTOBER 18 1915

Ten VCs, seven of them to officers and men engaged in the taking of Lone Pine trenches in the Gallipoli peninsula, had been announced two days before this account of the action, written by Captain C. E. W. Bean, official Press representative with the Imperial Forces in the Dardanelles.

THE STORMING OF LONE PINE.

HEROISM OF AUSTRALIAN FIRST BRIGADE.

FIGHTING UNDERGROUND.

About the beginning of August it was decided to send the First Australian Infantry Brigade against Lone Pine. The attack was timed for 5.30 in the afternoon, and from half-past 2 onwards the battalions were marching into place. By 5 o'clock the last infantryman except for a few belated messengers was at his place behind the parapet of our trenches opposite the Lone Pine... Now when they were to go out into it within five minutes in the brilliant light of a summer's afternoon, not one of those wonderful infantrymen showed the least trace of excitement.

In the front trench of all, hidden from us, was the brigade major. He had a carefully checked watch and a whistle. Suddenly there sounded a whistle, taken up from a score of different points. The officer in our trench had sounded his and was clambering out over the dusty sandbags. The whole population of that recess was scrambling up on to the step and over the top, knocking down showers of earth...

RACE FOR THE TRENCHES.

The khaki figures were racing towards that long low mole-hill in the scrub with the ugly, dark, half-concealed shadows of the loopholes low down on the earth's surface. Every Australian wore white bands on his sleeves and a square white patch on his back, and the whole wasteland seemed full of white patches hurrying towards the sand mounds opposite...

As a matter of fact they had found themselves looking down not into a trench but upon a very solid roof, made of logs with withered boughs and earth spread over them. Some of these timbers were nine by six, and there was no more chance of pushing them down than of pushing in the roof of a church. The first two lines were stopped there, puzzled what to do. Shrapnel had begun to rain by this time, machine-guns were spitting from the trenches to right and left, the Turks at their feet were firing through the loopholes — but the one thing that no man seemed even to dream of doing was to come back. Some fired down into the loopholes — some who happened to find small gaps in the line of head-cover in front of them, jumped down there and began to work into the dark shelters under the headcover where the Turks were — others went on over the first trench and even over the second trench and into communication trenches which had no headcover over them but through which the Turks were fleeing — for prisoners say, and there is no doubt of it, that the Turks are afraid of the Australians. Others noticed that in the solid roof in front of them, near the edge where the loopholes are, there were manholes left at intervals, apparently to allow the listening patrols to creep at night. They were just large enough to allow a man to wriggle through, and that was enough for the First Brigade. They wriggled down into them, feet foremost, as a burglar might wriggle into a skylight.

It was a deed for which, if it were a solitary instance, any man might get a Victoria Cross. What could the Turks do with a brigade like that? Once they got into the trench, the thing was a foregone conclusion.

THE TRENCHES WON.

So it was that Lone Pine was won... Within a few seconds of the first rush the Turkish artillery had marked down the section of trench from which they were issuing and were pouring shell after shell into it. The noise was deafening. Showers of stones and earth fell over everyone like the spray of the sea when the billows tumble home...

I have visions of two signallers racing through that cloud with a reel followed by everyone with his heart in his mouth, until they dropped suddenly into a hole, a hole. One could not tell whether they had been hit or had got home until one heard that the line was safe across — but those lines had to be carried five times, and, narrow little threads though they are, they were cut through by shrapnel pellets in 30 places before the communication trench was through and they could be carried below the surface...

Wrangle at Ruskin

From Mr L. J. Norcross

Sir, One of my more salutary educational experiences was being asked to justify my literary and political prejudices by a Ruskin College tutor, who clearly felt that my first essay for him was more remarkable for its rhetoric than its substance. I don't think I succeeded, but the exercise did me no harm and did not undermine my faith in socialism. (Subsequent experience, observation and other socialist brought about that fall from grace).

Thirty-four years later I take vicarious pride in the achievements of many of my Ruskin contemporaries who, benefiting from the intellectual rigour of that establishment, have distinguished themselves in both Houses of Parliament, the trade union movement and many other areas of public service.

I trust they will share my dismay at the treatment meted out to Mr David Selbourne by both the students and the college authorities, for what appear — at this distance — to be the relatively venial sins of writing for the "wrong" newspaper and expecting

Keyjvark breakdown

From Professor Robert L. Schuettinger

Sir, The Munich "sunni" ended in an agreement, with much hand-shaking all around the table. I gather it must have been a success.

Yours faithfully,
ROBERT SCHUETTINGER,
Reform Club, Mail, SW1,
October 16.

his students to think, rather than take refuge behind sloganised bigotry and intolerance.

An academic institution (even one with such close links with the trade union and Labour movement) should be primarily concerned to preserve and support intellectual integrity and academic freedom. Unless there are relevant factors not mentioned in your admirable leader and news coverage of the affair (October 16), it would seem that Ruskin College has been signally and sadly remiss in this respect.

One of my Ruskin contemporaries, David Kitson, spent 20 years in a South African prison because he elected to be a dissenter. Mr Selbourne's punishment is less extreme; but do the Ruskin students and authorities see no similarities at all between their efforts to censor and circumscribe his activities and the ideological intolerance of a government they so roundly condemn?

Yours faithfully,
LAWRENCE NORCROSS,
Highbury Grove School,
Highbury New Park, N5,
October 16.

Aids and care

From Mr Derek Austen

Sir, It was reassuring to read the forceful denial by Dr Norman (feature, October 13) of moral injunction or spiritual vengeance in the incidence of disease and, one might go on to infer, natural disasters in general.

Things go wrong as part of the natural order: they are only wrong because we do not favour the results. We approve of conception but not of Aids.

Dr Norman proposes that the Church should fully represent Christ as present-day disciples and should show caring concern for those afflicted by this terrible disease. Surely no one could argue with that: it applies to all of us.

Hard Times

From Mr Richard W. Beales

Sir, Several years ago, I recall, while laying a trail of paper in the rain forest of Borneo to mark a course for hare-and-hounds, I came across by chance a double-page spread from an airmail edition of *The Times* that exactly 12 months previously I had draped over the branch of a small tree for a similar purpose.

Notwithstanding over 200 inches of precipitation in the intervening period, it was still complete and perfectly readable. While something softer might have been more appropriate environmentally, it was a clear demonstration that yours is a journal of quality and durability, respected even by termites.

Yours faithfully,
R. W. BEALES,
16 Nasagavoli Road,
Suva, Fiji.

Mosley marches

From Miss Helen Corkery

Sir, It was interesting to note how the use of the word "admitted" gave a false slant to the words of the late Edith Ramsay, as presented in today's letter (October 5) from Mosley's former secretary, viz. Edith Ramsay "admitted" that much of the opposition to Mosley's marches in the East End was from communists imported from Glasgow and elsewhere.

Edith Ramsay hated all organisations that required war or violence as part of their political programme. She had friends of all races and religions in the East End and was not taking an alternative political stance when she protested against Mosley's marches in the duries, or recorded her

Shell-Mex House

From Mr Stephen Joseph

Sir, The letter in your edition of October 14 about the threat to Shell-Mex House should have attributed its design to Messrs Joseph, Architects.

Yours faithfully,
STEPHEN JOSEPH,
25 Perrins Walk, NW3.

observation of them for the BBC in 1969.

Thus she had no "admitting" to do. It should be remembered that as a borough councillor for Stepney Miss Ramsay stood as a true independent.

Yours faithfully,
HELEN CORKERY,
52 Harrison Close,
Woodlands,
Reigate, Surrey.

Flag unwaved

From Mr J. Dolits

Sir, Isn't it unfortunate that her Majesty the Queen is ferried around in a Mercedes rather than a Rolls Royce or Jaguar?

We ought to be sufficiently proud of our industries to make sure on such public occasions that the Royal Family is seen to have access to British products.

Yours faithfully,
J. DOLITS,
13 Downage,
Hendon, NW4,
October 15.

Sizewell issues

From Mr A. C. Hall

Sir, Many key issues today are of such a specialised nature or are so complex that there is no way that the general public can come to a meaningful conclusion in isolation. Sizewell raises a number of such issues. Is nuclear power needed in Britain? Is the pressurised water reactor the correct design choice? Will it be safe? To whom should the public turn for advice? The nuclear industry understands the problems, but has a vested interest and on the other side Arthur Scargill has only a vested interest. The answer, of course, is the forthcoming report of Sir Frank Layfield's public inquiry on Sizewell.

This inquiry has cost the taxpayer millions of pounds and has lasted from conception to report for over eight years, during which time the French, just across the Channel, have built and commissioned a number of nuclear power plants.

The inspector's report will be submitted to the Ministry of Energy within the next few weeks although the public is not expected to see it then. The public has the final responsibility for making up its own mind on the merits, or otherwise of civil nuclear policies of the various political parties. It would be well advised to pay attention to Sir Frank Layfield's advice.

Yours faithfully,
A. C. HALL,
2 Beech Close,
Ollerston,
Nr Knutsford,
Cheshire.

In common currency

From Dr J. B. Post

Sir, Whenever the earliest use of the modern sign for the pound sterling may have been, the *Course of the Exchange* &c provides a good indicator of common use in financial circles. The issue for August 4, 1795, was the last for which the form "3/17s 6d" was the editorial standard, although this was used occasionally for many years after. The new standard was "3 17/6", which was itself superseded by the modern "£3 17/6" on September 2, 1800.

Yours faithfully,
J. B. POST,
2 Worcester Gardens, SW11,
October 13.

Digging in for the final push to finish the M25

By David Cross

The last but not one section of the M25, London's orbital motorway, opened without fanfare and nearly two weeks late yesterday as the first traffic moved gingerly on to the pristine blacktop at Junction 19 outside Watford, still swathed by the remnants of morning fog.

Twelve miles east, in his site office at South Mimms, Mr Richard Haller, project manager for the final five-kilometre section, pointed at the drawings on his wall with the quiet confidence of an engineer who can finally see 27 months of work becoming a reality.

The final stretch of the 117-mile motorway - junction 21A to 23 - between Brickett Wood and the A1(M) at South Mimms, is to be officially opened on October 29. Mr Haller said he was sure it would be complete for when the Prime Minister sweeps up in her limousine, as predicted by virtually everyone on the site, to preside over the ceremony.

Outside the site office, on the viaduct over the A1(M), Mr Tony Reagan, aged 36, a tractor driver, said he would be glad when it was all over. He had worked 12-hour shifts from Monday to Friday, six-hour shifts on Saturdays and nine-hour shifts on Sundays with a long weekend off every six weeks.

Like the other 250 workers on the site he picks up a good wage - between £150 and £230 a week after deductions - but the £22 million contract has been one of the most difficult he has worked on.

Mr Jimmy Scott, aged 31, a foreman from Haddington, near Edinburgh, said that the main problem was keeping the workers aware of the constant danger presented by the 40,000 to 50,000 cars and lorries which have been running past each day, within inches of the men.

Unlike normal motorway contracts, the priority for



Spade work: Labourers busy yesterday on the final stretch of the London orbital route. (Photographs: Chris Harris)

workers on the Bell to South Mimms section had been to keep the traffic running smoothly along an existing dual carriageway, while at the same time building the new motorway surface on top of a large part of it.

Yesterday, when the first workers trudged through the mud to clock on at 7am, they were rerouted to safe parts of the new motorway to keep them away from the traffic. When the mist finally lifted, two workers climbed up scaffolding under one of the bridges, in their green fluorescent jackets and with cement trowels to put the finishing touches to a wall as the juggernauts thundered past.

Mr Scott is married with four children, and Jamie, his eldest daughter aged 14, and Wendy, aged 12, took part in a run along the new section last month to raise funds for a local hospice.

His main concern now must be that, when the final checks are made, no faulty welding of the kind which held up the penultimate section interferes with Mrs Thatcher's plans.

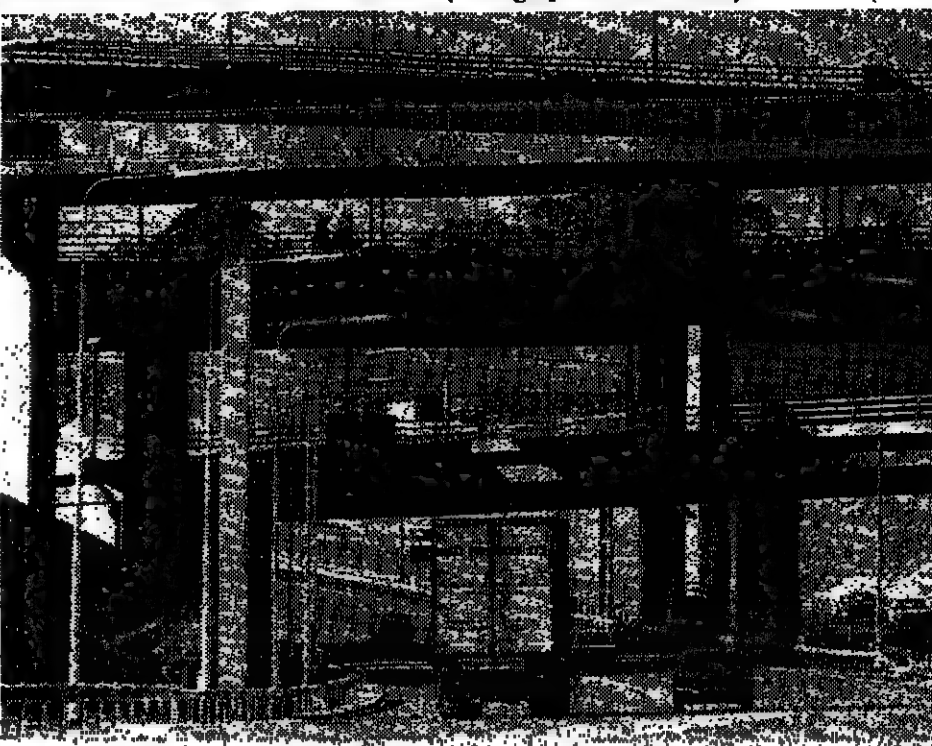
way opens. Last year he spent a month in Scotland over the Christmas period and he has his sights set on the same arrangement this year.

Balfour Beatty, the contractors, had provided site caravans for workers, with toilets, showers and all the necessary amenities, because of the difficulty of finding suitable temporary accommodation for people working all hours.

According to Mr Haller, the last few weeks of fine weather after two long, cold winters have come as a godsend. "The two bad winters delayed us but we have now caught up," he said.

"It's been a tight programme because we have not had the ability to double up the areas we have been working on because each bit of the job has been dependent on the previous section being completed," he said.

His main concern now must be that, when the final checks are made, no faulty welding of the kind which held up the penultimate section interferes with Mrs Thatcher's plans.



Bridge work: The sandwich junction linking the M25 and M1, showing, from the top, a slip road, a footbridge, the M1 flyover, a second slip road and the M25 itself.

Anger in city at loss of Olympics

Continued from page 1

Games in the year 2000 (Craig Seton writes).

They watched the IOC decision beamed on to giant screens at a Birmingham discotheque, connected until the last minute that even if the city did not succeed it would come a close second.

But the officials tried to put a brave face on their disappointment, and although they protested that Birmingham's bid had not received the national support it deserved, they claimed it had put the city on the world map.

Mr Dick Knowles, chairman of the Labour-controlled city council, said as the news came in from Switzerland: "I think we could have got more support from south of Milton Keynes, but we have proved we are one of the most vibrant cities in Britain and that we shall eventually come out on top. Birmingham is the only city in Britain which can put on the Olympic Games."

● **BARCELONA:** This customarily sober Mediterranean city exploded with joy at lunchtime yesterday when it learnt that a dream of more than 60 years will come true in 1992 (Richard Wigg writes).

A 10-minute deafening fireworks display surrounded the IOC's choice of Barcelona as soon as the news came through from Señor Samaranch, once Barcelona's mayor, on television screens in the Plaza de Catalunya. The square was overflowing, mostly with young people.

Red and gold Catalan flags and banners with the Olympic rings were waved, people shrieked with happiness, or applauded when it was realized that Paris had been passed over this time and Barcelona's fourth attempt had finally been sportingly recognized.

"This is a fiesta for the city," a Barcelona business man who had left his office to come into the square told me. "It's recognition of a different Spain," he said, referring to 1936, the year of his birth.

● **PARIS:** M. Jacques Chirac, the French Prime Minister, yesterday welcomed the choice of the French Alps for the next Winter Games.

Typhoon threatens Britannia cruise

Continued from page 1

feel the royal tour is merely the ultimate confirmation that they have been sold up the Peard River.

The Queen remains untainted by criticism and yesterday received an exceptionally warm welcome in the south-western province of Yunnan, in Kunming, the provincial capital, thousands turned out to see Elizabeth, the England King.

Yesterday morning the Queen visited the Dragon Gate, a Taoist shrine high on a cliff above a lake, where it is said a visitor's destiny is set the moment he walks in. The Queen did not take the chance, but stopped at a pavilion halfway up to take jasmine tea after climbing 119 steps.

Surrounded by the heavy scent of sandalwood incense and saffron-robed Buddhist monks, the Queen walked through the shady courtyards to the Huiang Buddhist temple, the innermost shrine of Buddha, accompanied by a Taoist priest on a temple drum and a huge bell.

Then she went on a cruise across a lake. The Queen does not really like boats, especially when they are engaged in a race with a press launch close to turning turtle with the weight of television equipment on its upper deck, and most especially when she is left sitting alone and ignored on the promenade deck while her retinue, including her husband and her Foreign Secretary, desert her to gaze at the curious spectacle of being overtaken by a Chinese replica of a Mississippi riverboat.

Her next call was to the Institute of Nationalities, a further education college for ethnic minority groups, where she received one of those "foul" welcomes she experiences all over her own Commonwealth, except that this one was particularly rich.

Sitting beneath a striped umbrella which advertised beer, she watched a display of singing and dancing by the ethnic minorities of Indo-China, much of which sounded remarkably like Scottish country dance music.

The Times Crossword Puzzle No 17,180

Solution to Puzzle No 17,174

Across: 1. LATERAL; 2. AUSTRIA; 3. REIGN; 4. ASTRONAUT; 5. REIGN; 6. ASTRONAUT; 7. REIGN; 8. ASTRONAUT; 9. REIGN; 10. ASTRONAUT; 11. REIGN; 12. ASTRONAUT; 13. REIGN; 14. ASTRONAUT; 15. REIGN; 16. ASTRONAUT; 17. REIGN; 18. ASTRONAUT; 19. REIGN; 20. ASTRONAUT; 21. REIGN; 22. ASTRONAUT; 23. REIGN; 24. ASTRONAUT; 25. REIGN; 26. ASTRONAUT; 27. REIGN; 28. ASTRONAUT; 29. REIGN; 30. ASTRONAUT; 31. REIGN; 32. ASTRONAUT; 33. REIGN; 34. ASTRONAUT; 35. REIGN; 36. ASTRONAUT; 37. REIGN; 38. ASTRONAUT; 39. REIGN; 40. ASTRONAUT; 41. REIGN; 42. ASTRONAUT; 43. REIGN; 44. ASTRONAUT; 45. REIGN; 46. ASTRONAUT; 47. REIGN; 48. ASTRONAUT; 49. REIGN; 50. ASTRONAUT; 51. REIGN; 52. ASTRONAUT; 53. REIGN; 54. ASTRONAUT; 55. REIGN; 56. ASTRONAUT; 57. REIGN; 58. ASTRONAUT; 59. REIGN; 60. ASTRONAUT; 61. REIGN; 62. ASTRONAUT; 63. REIGN; 64. ASTRONAUT; 65. REIGN; 66. ASTRONAUT; 67. REIGN; 68. ASTRONAUT; 69. REIGN; 70. ASTRONAUT; 71. REIGN; 72. ASTRONAUT; 73. REIGN; 74. ASTRONAUT; 75. REIGN; 76. ASTRONAUT; 77. 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Executive Editor
Kenneth Fleet

STOCK MARKET

FT 30 Share
1281.5 (+3.9)

FT-SE 100
1610.0 (+5.0)

Bargains
28380

USM (Datastream)
124.70 (+0.49)

THE POUND

US Dollar
1.4320 (-0.0050)

W German mark
2.8268 (-0.0070)

Trade-weighted
67.3 (-0.4)

Yamani to stay firm

Sheikh Ahmed-Zaki Yamani, the Saudi Arabian oil minister and still Opec's most dominant figure, yesterday made it clear that he will insist that the cartel's meeting will end with a radical new quota agreement, David Young reports from Geneva.

The alternative, he said, would be that his country, which sits on the world's largest proven oil reserves, would refuse to continue limiting its oil production to support the poorer Opec nations.

The Opec ministers are believed to be close to agreeing on a quota system which sets an overall production ceiling and allocates each member country with a percentage of the total according to a formula which is based on oil reserves and social and economic criteria.

However, some members are suggesting that the present agreement which limits output to 16.8 million barrels a day could be rolled over until the end of this year — it is due to expire on October 31 — while details of the new system are agreed.

Sheikh Yamani has said that a firm decision must be made at Geneva otherwise the world oil market would no longer take Opec seriously and drive the price down.

During negotiations yesterday he is understood to have said that his country, and possibly Kuwait, could weather such a price storm, but other countries could not.

Arlington up

Arlington Securities, the property company, reports pretax profits of £762,000 for the half year to June 30, compared with losses of £188,000 for the same period last year. Turnover fell 46 per cent to £5.09 million. The first interim dividend will be 0.7p. Earnings per share are 1.16p before an extraordinary gain of £196,000.

Temps, page 23

Losses cut

Davies & Newman Holdings, operators of Dan-Air, yesterday announced half-year results to June 30, with pretax losses down from £3.58 million to £3.48 million, and turnover up from £123.3 million to £131.8 million.

Temps, page 23

Bell stake up

Bell Resources acquired a further 275,000 ordinary shares in Morgan Crucible yesterday, increasing its total holding to 18,121,223 shares, or about 20.3 per cent.

Mecca ballot

The offer for sale of Mecca Leisure was 11 times oversubscribed.

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| Tennies | 23 | Share Prices | 25 |

MARKET SUMMARY

STOCK MARKETS

| | |
|-----------------------|--------------------|
| New York | 1828.88 (+7.31) |
| Dow Jones | 16700.39 (+171.50) |
| Hong Kong | 2234.89 (+42.88) |
| Amsterdam Gen | 275.0 (+0.1) |
| Sydney: AO | 1388.3 (+14.9) |
| Frankfurt | 1950.0 (+24.2) |
| Commerzbank | 3754.68 (+5.82) |
| Paris: CAC | 370.5 (-7.1) |
| Zurich | 532.70 (same) |
| SKA General | 532.70 (same) |
| London closing prices | Page 25 |

INTEREST RATES

| | |
|-------------------------|------------|
| London: | |
| Bank Base: | 11% |
| 3-month Interbank: | 11%-11.5% |
| 3-month Treasury Bills: | 5.23-5.21% |
| 30-year bonds: | 8.5%-8.51% |

CURRENCIES

| | | | |
|---------|----------|-----------|----------|
| London: | | New York: | |
| £/\$ | 1.4320 | £/¥ | 161.00 |
| £/DM | 2.8268 | £/Sfr | 1.4320 |
| £/A\$ | 0.6700 | £/N\$ | 0.6700 |
| £/Ffr | 6.5548 | £/P\$ | 0.6700 |
| £/Yen | 154.74 | £/Lira | 1.4320 |
| £/Index | 103.9 | £/Ruble | 1.4320 |
| ECU | 103.9422 | SDR | 103.9422 |

Rate of inflation rises for first time this year

By David Smith
Economics Correspondent

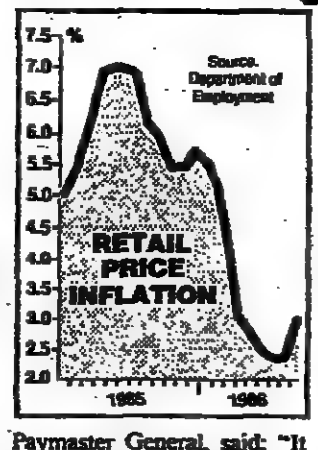
The rate of inflation rose to 3 per cent last month, from 2.4 per cent in August. This was the first rise in the inflation rate this year, and the sharpest underlying increase for more than a year.

A big rise in petrol prices, dearer clothing and footwear, and higher prices for draught beer and a range of other products, pushed the retail price index up by 0.5 per cent last month.

It rose from 385.9 (January 1974=100) in August to 387.8 last month. The 0.5 per cent rise in the index was the biggest since April, when there was a 1 per cent increase.

Excluding Budget price increases, Department of Employment officials said, last month's rise was the biggest underlying increase since May last year.

Mr Kenneth Clarke, the



Paymaster General, said: "It was widely expected that inflation would rise a little again in the autumn. Half the increase this month is the result of the sharp increase in petrol prices imposed by the oil companies in August."

But Mr Roy Hattersley, Labour's Chancellor-designate, said: "These figures are

bad news for Mr Lawson and inflation will undoubtedly get worse when mortgage payments go up as a direct result of his decision to increase interest rates."

A 1 percentage point rise in the mortgage rate would add 0.5 per cent to the retail price index. Anything larger than this would threaten to push the inflation rate back up to 4 per cent.

In his speech at the Mansion House on Thursday evening, the Chancellor of the Exchequer said the inflation rate, excluding the mortgage rate, would run at a little above 3 per cent in the coming months.

The inflation rate excluding mortgages was 3.4 per cent last month, compared with 3.3 per cent in August.

Yesterday, the Halifax Building Society, Britain's biggest, said it had deferred a decision on mortgage rates until next week, when general interest rate trends are clearer.

Britain's inflation rate of 3 per cent last month compared with latest rates of 2 per cent in France, 1.6 per cent in the United States, -0.2 per cent in Japan and -0.4 per cent in West Germany.

The main price rises last month were in petrol, up by an average of 9.2p to 167.5p a gallon. This alone added 0.27 per cent to the retail price index.

Apples, potatoes and bread went up but cauliflowers, carrots, margarine and cooking fats fell in price.

There were higher prices for clothing and footwear with the introduction of autumn lines, but television sets and video recorders were marked down.

Pound at a record low

By Rodney Lord, Economics Editor

The pound dipped to record lows in foreign exchange markets yesterday on disappointment with the speech by the Chancellor, Mr Nigel Lawson, at the Mansion House. But by the close of trading in London it had recovered some ground as dealers squared their positions ahead of the weekend.

Some traders hesitated to sell sterling in front of Monday's visit to London by the president of the Bundesbank, Herr Karl Otto Poehl.

Expectations of a further rise in interest rates hardened in money markets. Three-month money in the inter-

bank market rose to more than 1/2 a point above base rates, generally regarded as a trigger for a rise. At 11.5/16 per cent the inter-bank rate was 3/16 per cent higher than the previous close.

In the gilt-edged market prices fell by up to a point before recovering to close about 1/4 point off in the longer-dated stocks and 1/4 point lower in the shorts.

The pound closed at 67.3 per cent of its 1975 value compared with 67.7 per cent at the previous close. Sterling was a cent lower at \$1.4302 and 1/4 pence weaker at DM2.8255.

AE centre of new bid speculation

By Cliff Fehman

There was strong speculation in the City last night that the Takeover Panel has told Turner & Newall, the asbestos group, that it can bid again for AE, the engineering group.

It was thought also to be crucial of the conduct of AE's financial advisers — Hill Samuel, the merchant bankers, and Cazenove, the stockbroker — in their handling of its defence during the previous bid.

The Takeover Panel, which has been engaged in a lengthy enquiry into the affair, refused to comment and there was no one available for comment at Cazenove or Hill Samuel. But

SE paves way to Isro-link

By Lawrence Lever

Radical reforms of the structure and constitution of the Stock Exchange were announced yesterday by Sir Nicholas Goodison, the chairman.

The changes, which include converting the Exchange to a limited company and transferring voting power from individual members to member firms, pave the way for the intended link up with the International Securities Regulatory Organisation.

"These are far and away the most important of all the changes we have been patiently implementing over the years", Sir Nicholas said.

The changes are encapsulated in two Stock Exchange resolutions to be put to an extraordinary general meeting of the Exchange on November 11 with a poll of members the following day. They require a 75 per cent majority of all the members who vote. Sir Nicholas was confident yesterday that both would succeed.

Apart from the Exchange converting to a limited company and the change of voting rights the resolutions propose also that individual members' shares are reclassified as "A" shares which will be redeemable when they are 60 years old or postponed until retirement — if that comes later — to reduce the tax burden.

Sir Nicholas said that he was "available if they want me" to become the head of the new International Stock Exchange.

Hilldown set to raise £154m from placing

By Allison Eadie

Hilldown Holdings, the expanding food-to-furniture manufacturer, is raising £154 million net through a conditional institutional placing of 79.1 million new shares at 200p each.

The issue, with a 100 per cent clawback facility, is the first placing not tied to a specific acquisition.

Mr Harry Solomon, joint chairman, said the money could be used for a very large acquisition or to add on complementary businesses to existing operations.

Hilldown accompanied the

placing news with a bullish pretax profit forecast of not less than £50 million this year — a near 50 per cent rise over 1985.

The market immediately began speculating on likely bid targets in the food sector. Dalgely shares rose 17p to 285p, Bernard Matthews jumped 10p to 241p, and Bassett Foods gained 15p to 200p.

Hilldown has purchased 40 companies at a cost of £150 million since coming to the stock market early last year.

Temps, page 23



Salomon Bros International's trading floor, possibly the biggest in London (Photograph: Bill Warhurst)

Rehearsal for Big Bang

3,000 shares will be 'traded'

By Richard Lander

It will be people testing today rather than systems testing, according to the dealing room manager of one of the City's leading securities houses, talking about the full dress rehearsal for Big Bang.

That may be true as far as individual companies are concerned but the Stock Exchange takes a different view. It wants to make sure that its new electronic market-place — SEAO (Stock Exchange Automated Order) — works without a hitch and that all the market-makers' dealing room systems can cope with it.

The Stock Exchange floor will continue to exist after October 27 but, with the ending of single capacity for brokers and market-makers (formerly known as jobbers), all the work done there at

present can be carried out with SEAO and a telephone.

Eventually, even the telephone may become redundant as the Stock Exchange develops its SEAO screen-dealing system. This will be introduced next year as an automatic execution facility for small orders.

The present SEAO system, which will be distributed to investors, broker-dealers and market-makers through almost 10,000 Topic videotext screens, will display a range of price information on about 3,500 securities traded on the Stock Exchange. The amount of data displayed on the screen will vary according to the type of service and stock.

SEAO level two — the more sophisticated service on offer — is designed for Stock Exchange members and the biggest institutional investors.

These pages will show which market-makers are registered for a particular stock as well as their latest bid and offer prices and the largest blocks they are prepared to deal in at those prices.

For securities designated as alphas — the 62 most actively traded stocks — SEAO will show the last five trades and the running volume of shares traded during the day, and it will highlight the three market-makers displaying the keenest bid and offer prices.

Alpha stocks will be tracked also by the SEAO ticker, a series of electronic pages showing each share deal, exactly when it happened, with size and price.

The next rung of stocks are the 517 betas which will be shown in the same detail as alphas except that traded prices and volumes are not

displayed. Finally, there are more than 2,000 gammas. Today's rehearsal is designed to resemble a normal trading day as closely as possible. Institutional investors and brokers will be in their offices to telephone their orders to market-makers, each of whom has been given an equity "book" averaging £14 million to begin the day.

Business will accelerate in the afternoon so that total volume should be around 50,000 bargains in 3,000 equities — a fairly typical day.

What the Stock Exchange will be watching particularly closely is the performance of those market-makers who are inputting quotes and trades to SEAO from their own dealing room computer systems rather than using the exchange's own SEAO work stations.

A revolution in the gilt-edged sector

By Richard Thomson
Banking Correspondent

The new gilt-edged market structure being given its second trial run today is truly a revolution compared with the old system.

Instead of the traditional broker-jobber split, with a market dominated by two main jobbers, the new market has four types of participants.

The trial is designed to test the dealing abilities of these participants and the effectiveness of their information and settlements systems.

● The 27 market-makers are the most important. They will provide the liquidity in the secondary market and will be the market's point of contact with the Bank of England when new stock is issued. They will act as both jobbers and brokers, taking positions and distributing stock to end investors.

● The six inter-dealer brokers are new in the gilt market. Market-makers can use them to deal anonymously and disguise their market operations. The IDBs will not act as principals and will not distribute stock outside the market. They will simply match deals and help efficient pricing in the market by posting current prices on screens used by the market-makers.

● The nine money brokers will provide stock lending and borrowing facilities. Market-makers short of a stock may, for example, borrow it from a money broker. The money brokers will get the stock from

other market-makers or even big investors who hold a long position and are willing to lend.

● The broker-dealers will be able to act as principals but, unlike the market-makers, they will not be obliged to make continuous two-way prices. Otherwise they will act as ordinary brokers, selling to clients. They will not have access to the Bank of England.

In today's trial the market-makers will be given imaginary gilt positions by the Bank, which is co-ordinating the exercise. As the market-makers begin to deal, the Bank will push out invented information likely to affect gilt prices, to which market-makers will have to respond.

This will probably include practice in the new system of "improvised" tenders and taps. Market-makers will also be allowed to practise borrowing stock for the first time.

The settlement system in the new market also becomes more complex. All deals within the market will be for next day settlement.

Deals involving only market-makers and IDBs will be cleared through the new central gilt office, where stock and cash are exchanged simultaneously to minimize the risk of default by the buyer.

Through a complex agreement between the clearing banks responsible for making payments on behalf of their

customers, payments in the CGO system are guaranteed.

Settlement between any market participant and an outside investor is the responsibility of the market-maker or broker dealer concerned.

Finally, all market-makers must report their positions at the end of each day to the Bank for regulatory purposes.

With such a radical change in the market structure, it would be astonishing if everything worked completely smoothly from the start. In the last rehearsal two weeks ago, one of the main problems was found to be simply the familiarity of dealers and settlements clerks with their computer equipment.

Look at our past to see how your investments could look in the future.

GT's position out of the top 30 largest Unit Trust Groups over the last ten years.

| one year | two years | three years | four years | five years | six years | seven years | eight years | nine years | ten years |
|----------|-----------|-------------|------------|------------|-----------|-------------|-------------|------------|-----------|
| 1st | 5th | 4th | 1st | 5th | 2nd | 1st | 2nd | 1st | 6th |

Over the last decade one particular Unit Trust Management group has stolen the limelight from many of its competitors.

Not by relying on a run of luck. But by drawing on experience and expertise that over the years has been amassed from various subsidiaries around the world.

The group is called GT. And we're now one of the largest independent investment management groups in the UK. With around £125m invested in a wide range of international Unit Trusts on behalf of our private and institutional clients.

Over the last ten years GT's performance within the thirty largest Unit Trust groups has consistently assured us of a place amongst the top six. Indeed, we have been top of the pile no fewer than four times within that period. And that is where we have been over the last twelve months. (Source: Planned Savings, weighted performance statistics.)

We've set out all the details of our Unit Trusts and how they work, in a free guide to investing with GT. It includes the story of our past and our present.

And we think it will show you, quite clearly, just how rosy your investments could look in the future. (All information as at the 1st October 1986.)

Please send me a copy of your free brochure "A Guide to Investing with GT Unit Trusts".

NAME _____

ADDRESS _____

The Unit Trust Managers of the Future

IMF 'happy to consider the Russians'

From Bailey Morris, Washington

Mr Barber Conable, the new head of the World Bank, said here that he is willing, indeed happy, to explore a membership attempt from the Soviet Union if it decides to act formally on hints that it would like to join the Bank and the International Monetary Fund.

"I think we should be willing to explore Russian membership. I think we should seek a more co-operative environment."

Mr Conable was replying to questions at a private meeting on Thursday. A transcript was made available yesterday.

The former United States Congressman, who assumed office in June, stressed that there had been no formal approach by the Soviet Union.

The US strongly resisted an attempt last month by the Soviet Union to participate in the round of negotiations under the auspices of The General Agreement of Tariffs and Trade.

Third-tier market put off until new year

By Our City Staff

Preparations for Big Bang have forced the Stock Exchange to postpone plans to set up a new third tier in the stock market.

The market — aimed at attracting companies presently traded on the over-the-counter market — is now likely to be launched in the new year.

The delay, announced yesterday at a conference called to mark the admission of the 500th company to the successful Unlisted Securities Market, was caused by work involved in the build-up to Big Bang on October 27.

So far the Stock Exchange has no idea how many companies will apply to join the new market, which will be open to start-up companies anxious to attract funds from outside investors, unlike the more established USM which requires a three-year trading record.

Sir Nicholas Goodison, chairman of the Stock Exchange, yesterday welcomed Interlink, the parcels delivery

MAIN PRICE CHANGES

RISES:

| | |
|-------------------|-------------|
| Beecham | 425p (+120) |
| Blue Circle | 601p (+180) |
| Casco | 950p (+70) |
| Victors | 950p (+70) |
| Burgess | 233p (+70) |
| Ladbroke | 350p (+70) |
| Bassett | 200p (+150) |
| Dalgely | 285p (+170) |
| B Matthews | 241p (+100) |
| Sears | 128p (+80) |
| Acetone Hutchison | 200p (+180) |
| Nu-Swiss | 180p (+70) |
| Atlas Converting | 135p (+30) |
| Consolidated Gold | 680p (+250) |
| British & Comm. | 310p (+130) |
| IC Gas | 510p (+180) |
| Refuge Group | 410p (+150) |

FALLS:

| | |
|-----------|-------------|
| GKN | 280p (-70) |
| Lucas | 491p (-70) |
| Hilldown | 211p (-90) |
| Exco Int. | 240p (-120) |

GOLD

London Fixing: AM \$420.00 pm \$419.25 close \$420.00-420.75 (2283.50-294.00)

New York: Comex \$421.10-421.60

NORTH SEA OIL

Brent (Dec) pm \$14.10 bbl (\$14.15)

Dutchies latest trading price

WALL STREET

Early fall for shares

New York (Reuters) — Wall Street shares eased in early trading yesterday, in reaction to worse-than-expected housing figures for last month. Investors were also concerned about the sluggish US economy and hopes fell over further interest rate cuts.

Oil shares fell after reports from Geneva that Opec is far from an accord on quotas. The Dow Jones industrial average was down 3.37 points to 1,832.82. Declining issues led advancing issues by a margin of more than three to two, on a volume of 12 million shares.

USX led the active issues, down 1/4 to 25 1/4. Goodyear jumped 1 1/4 to 40 and Idaho Power fell 1/4 to 28 1/4.

The transportation average was down 3.38 points to \$25.50, utilities fell 0.98 to 200.83 and stocks were down 2.13 to 724.89.

| | Oct 16 | Oct 17 | Oct 18 | Oct 19 | Oct 20 |
|------------------|--------|--------|--------|--------|--------|
| AMER | 80 | 81 1/2 | 81 1/2 | 81 1/2 | 81 1/2 |
| AT&T | 37 | 37 1/2 | 37 1/2 | 37 1/2 | 37 1/2 |
| IBM | 100 | 100 | 100 | 100 | 100 |
| GE | 40 | 40 | 40 | 40 | 40 |
| Westinghouse | 35 | 35 | 35 | 35 | 35 |
| General Electric | 35 | 35 | 35 | 35 | 35 |
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Merchant bank cuts stake in S Africa

By Richard Thomson
Banking Correspondent

Hill Samuel, the merchant banking group, yesterday announced it was scaling down its involvement in its majority-owned South African banking subsidiary, leaving it with only a minority interest.

Hill Samuel Group (SA) is planning a large rights issue and a capital reorganisation, thereby reducing the parent company's voting rights from 71.5 per cent to about 20 per cent. Hill Samuel in London is renouncing its rights in the issue and is negotiating to transfer them to a group of South African investors, including a number of financial services organisations.

The issue is likely to amount to more than half the South African company's total R20 million (£6.3 million) capital.

The deal, which will be completed in the next month, is part of more general move by British banks to reduce their presence in South Africa. Barclays Bank has already reduced its involvement in Barclays National Bank (SA) by not taking up its portion of a recent rights issue.

Mr. Doif Moomtham, financial director of Hill Samuel, said the rights issue was felt to be necessary at this stage for the expansion of the South African subsidiary. But he added: "Naturally, having a small presence in the company will be less embarrassing for us." Hill Samuel has been a frequent target for anti-South Africa lobbyists.

A reshuffle of senior personnel in the South African company last month paved the way for the deal. Mr. Laurie Korsen, a South African banker, became chief executive, replacing Mr. Hamish Donaldson who returns to London at the end of this year. Mr. Bob Aldworth, previously head of Barnat, is taking over as chairman of Hill Samuel Group (SA).

'Insider' inquiry at CBS

From Bailey Morris
Washington

The US Securities and Exchange Commission in its campaign against illegal insider trading activities has launched an investigation of erratic trading patterns in CBS shares and options over the past 13 months.

Yesterday, First Boston Corporation issued a statement explaining its role in one of many unsuccessful takeover bids for CBS.

In response to a wave of speculation, First Boston said an internal inquiry had shown "absolutely no misuse of confidential information and that no improper trading occurred". Officials confirmed the investigation focused mainly on the trading during the unsuccessful takeover bid by Mr. Marvin Davis, the Colorado billionaire, who was advised by First Boston.

But the scope of the investigation is much broader, involving more than nine potential merger partners, more than 12 brokerage accounts that traded CBS shares over the past year, dozens of high-level and low-level officials in addition to the market surveillance officials at the Chicago Board Options Exchange.

SEC officials have placed a high priority on insider trading investigations after the spectacular \$12.8 billion (£8.95 billion) case this year against Mr. Dennis B. Levine, a managing director of Drexel Burnham Lambert, followed by indictments against five other officials.

New satellite technique can save money

By Jonathan Miller
Media Correspondent

A new technique for operating communications satellites will enable them to remain in service much longer, before they run out of fuel, and create big savings for users of communications services, according to an American company.

The technique may have limited application, however, because it will need more costly ground stations.

The Communications Satellite Corporation (Comsat), the biggest shareholder in the Intelsat global satellite consortium, said the technique would allow satellites to remain competitive with fibre optic cables.

By allowing satellites to drift within an arc of space, fuel normally used to keep them stationary relative to the earth can be conserved. This will permit the cost of satellites to be amortized over a longer period, providing significant savings.

Use of the system is likely to be restricted to those satellites which are used to provide links between sophisticated ground stations serving large population centres.

Beecham poised to sell soft drinks division

By Michael Clark
and Carol Leonard

Beecham, the pharmaceutical and consumer products group, is on the brink of clinching a deal to sell its combined Corona and Beecham Soft Drinks division.

The deal, which could net Beecham as much as £150 million, is expected to be concluded next week.

The buyer is thought to be Britannia Soft Drinks, a company based in Chelmsford, Essex, created seven months ago to take care of Allied-Lyon's Britvic drinks subsidiary.

Britannia is 50 per cent owned by Bass, 25 per cent owned by Allied and 25 per cent by Whitbread.

Another possible purchaser is said to be Cadbury Schweppes, but it is being dismissed as less likely because it would almost certainly face a reference to the Monopolies and Mergers Commission.

The sale of Corona will be Beecham's first large deal since Mr. Bob Bauman, an American, took over as chairman last month and it will come as a surprise to the City because it is not one of the divisions that had been publicly earmarked for sale by the company.

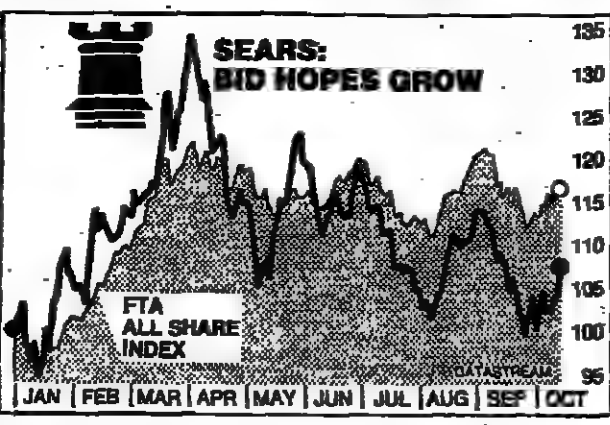
Beecham is known to have put "for sale" signs up on three other divisions - home improvements, wines and spirits and Germaine Montell, an American cosmetics business.

The soft drinks division's interests include the distribution of bottled Coca-Cola, a franchise to produce Seven-Up in Britain, and brand names such as Tango, C-Vit, Fanta and Lilt. It has an annual turnover of about £200 million.

Beecham's shares closed at 423p, 10p higher on the day, after busy trading.

The FT-30 share index opened 3.3 lower, but managed to struggle a little higher during the course of the day to close up 3.9 at 1281.5.

The broader-based FT-SE



100 index followed a similar pattern and ended 4.3 higher at 1609.3.

Inflation figures were much as expected and had little effect on the market, but disappointment at the Chancellor's Mansion House speech tipped gilts onto the slippery downward slope, with long ending the day 1/4 lower and shorts 1/4 down.

Mr. Stephen Lewis of Phillips & Drew, the broker, said: "The fall would have been even steeper if it had not been the weekend which had its usual dampening effect." Blime Circle led the way, climbing 18p to 60 1/2p. Vickers gained 7p to 39 1/2p, Royal Insurance 5p to 81 1/2p, BICC 6p to 26 1/2p and Glaxo a couple to 950p.

Oil was cautiously optimistic, waiting for news from the Opec meeting. Shell firmed 3p to 908p and Ultramar 5p to 16 1/2p. Speculators, hoping for a bid for I.C. Gas next week, put the price up 5p to 16 1/2p.

BBA gained 12p at one time before settling back to just a penny gain at 175p. It was boosted by talk that its subsidiary Automated Products may be about to clinch a deal to supply Fiat with anti-lock brakes.

The newly-developed brakes will rival those produced by Lucas, which saw its shares dip 10p to 488p as a result. BSG, the car distribution group and airline seat manufacturer, gained 6p to 56p.

Bid hopes continued to push Sears Holdings, the Selfridges, Saxeux and Mappin & Webb stores group sharply higher. The price closed 7p higher at 128p last night - a two-day gain of 14p - adding about £120 million to the group's stock market value.

This week, the market place was buzzing with reports that Australian entrepreneur Mr. Robert Holmes & Court had bid for 10 million, or 5 per cent of the share capital, as the prelude to a full bid.

But there is little evidence

to suggest that Mr. Holmes & Court can muster the financial muscle to launch a full bid for Sears with its currently capitalised at £2 billion.

This latest flurry of activity in Sears was prompted by rumours that another large buyer was bidding 140p for 20 million. Dealers are now linking the name of Heron Corporation's Mr. Gerald Ronson to the list of predators and are suggesting that he is putting together a consortium bid.

Sears has often been tipped as a takeover target and analysts claim it is the ideal break-up situation. The price ran-up to a peak of 148p this summer as dealers braced themselves for a bid. Last night the shares were reckoned to be changing hands outside the market at 140p.

Mr. Geoffrey Maitland Smith, chairman of Sears, says he is continuing to keep a close eye on the share register. Speculation that Hillsdown Holdings, the food manufacturing to furniture group, was about to hit the acquisition trail increased after the group announced plans to raise an extra £154 million by way of an open placing.

The group is issuing 79.1 million new shares at 200p through Kleanworth Benson, the merchant bank, to its shareholders.

Dealers immediately began to speculate about Hillsdown's next target. Dalgely, up 17p at 285p, and Bernard Matthews, the Norfolk turkey producer, 10p dearer at 24 1/2p, were both tipped as possible targets.

But the most likely target is Bessett Foods, the liquorice all-sorts confectionery group, where Hillsdown has already built up near 6 per cent stake. Bessett climbed 15p to equal its high for the year of 200p, while Hillsdown finished 15p lower at 205p.

Albert Fluor, the fruit and vegetable distributor, firmed another 1p to equal its peak of 196p following a bumper set of figures this week. The group met a party of analysts to

discuss the figures and they came away confident that Fisher can repeat the performance this time around.

Consolidated Gold Fields continued its record breaking run bursting through the £7 level, before closing 25p up on the day at 699p.

There were whispers that Mr. Harry Oppenheimer's Anglo American Gold Corporation which owns a 28 per cent stake in Cons Gold, was prepared to launch a bid of 900p a share on Monday valuing Cons Gold at £1.7 billion.

But there was certainly no evidence of this at the group's headquarters in London where Mr. Rudolph Agnew, chairman and chief executive, met a number of leading analysts. Apparently, he was in confident and very bullish about prospects for the current year. The possibility of a bid was not even mentioned.

British Car Auctions flew into top gear with an 8p rise to 153p following news of record sales at its new Blackbushe auction centre in Hertfordshire.

Turnover of used cars last week reached a best ever £4.3 million with a sale of Vauxhall motors netting over £1 million in one day alone.

BSR International's Mr. "Dollar" Bill Wylie and a fellow director, Mr. Brian Christopher, fly to London this weekend. Meetings with brokers at Chase Manhattan Securities start on Monday - they may be ready to sell BSR's remaining 40 per cent stake in Tesco Insurance.

Simon Engineering recovered from an early 3p fall to close unchanged at 243p as stories began circulating that a predator is running its slide rule over the group. Talk is that a bid will emerge within a month.

Ryanair, the office stationery chain run by Mrs. Jennifer d'Abo, began dealings on the USM yesterday at 108p, a 2p discount to the 110p striking price and closed lower still at 104p.

Exco, the financial services conglomerate dropped 12p to 248p on news that Mr. Bill Matthews, the chief executive, and three other directors have sold a total of 950,000 shares in the company, which represents less than 1 per cent of the share capital.

Banks were all down on the day with the exception of partly-paid TSB which closed unchanged at 84 1/2p after touching 85 1/2p mid-day. Barclays, Lloyds and National Westminster all dipped 5p.

COMMENT

Big Bang jitters knock the merchant bankers

A year ago, investors were looking forward to Big Bang as a window of opportunity. The old City, which had more job demarcation lines than a Clydeside shipyard, would go. The brightest and the best in London's financial community would take advantage of de-regulation to form new and wondrous conglomerates with the expertise and financial muscle to conquer all before them.

Curiously, the same fund managers who ran up shares of all the financial companies most likely to succeed, seem to have had cold feet lately. The summertime flotation of Morgan Grenfell was the high water mark for the sector. Since then there has been something approaching a shakeout.

Nine of the 12 stocks on DataStream's list of merchant banks have shown falls relative to the market generally, with two of the biggest, Morgan Grenfell and Mercury, losing ground substantially.

From the launch price of 500p back in June, Morgan's shares have slipped and slithered and buyers at the time of the issue are now nursing losses of just over 20 per cent. That underlines what every schoolboy economist knows about de-regulation - it means more competition and lower prices. And those are the inescapable realities of Big Bang.

Until recently, Mercury looked a winner in the race for Big Bang laurels with names like bankers SG Warburg, brokers Rowe & Pitman and gilt specialists Mullens, alongside jobbers Lloyd & Smithers in the same stable. Yet Mercury shares have fared little better than Morgan Grenfell's, showing an 18 per cent loss against the broad market indexes. Part of the slippage may be due to the fact that the combination which looked so good to the City also took the fancy of American financier Mr. Saul Steinberg and there was some profit taking when he did not follow through his initial buying of Mercury shares.

Hill Samuel has also suffered from the market's pre-Big Bang jitters despite being one of the market's favourite takeover stocks. Its shares have dropped almost 12 per cent against the market since July.

As always though, there are limits to the market's disenchantment with any group of shares and there are now grounds for accepting that the worst of the Big Bang shake-out may be over. First some of the quality stocks in the sector are now looking distinctly cheap on asset considerations. Secondly, the elevation of the shrewd and aggressive Mr. John Gunn to the seat of power at British and Commonwealth gives rise to the prospect of further acquisitions or mergers.

Mr. Gunn has been telling analysts that he is not interested in anything so grand as a clearing bank, nor does the

idea of composite insurance appeal. That suggests he has eyes for investment banking and broader financial services companies.

A third consideration is that of disclosure. It is surely now just a question of time before those members of the charmed circle of the merchant banking world withdraw the veil that still partly conceals some of their true profitability. True earnings may well be as much as 20 per cent higher than those currently disclosed certainly in the case of Mercury and perhaps others too.

It may be too soon to put Morgan Grenfell back on the buying list as its rating is still rather high and more dependent than most on a continuing high level of bids and deals. But quality stocks like Kleinwort Benson, Schroders and Hill Samuel, whose exposure to Big Bang is rather less than most people seem to think, are surely due for better days when the City gets over the novelties of October 27.

Winds of change

After years of raising equity finance on terms largely dictated by a none too competitive City, Britain's finance directors are starting to fight back. Two deals this week have shown that in future Britain's companies will increasingly have access to cheaper, faster and more flexible ways of raising money.

Granada's auction of just over £30 million worth of new paper lasted just more than half an hour. At the end of it, Salomon Brothers, the US finance house, had agreed to place the new equity at a discount of just under 1 per cent on the share price ruling at the time. Compared to the traditional rights issue route, that is fast and cheap, with no deep discount to dilute the interests of shareholders in general.

The highly acquisitive food group, Hillsdown Holdings, followed suit the next day with an institutional placing to raise £154 million on a tight discount. Unusually, the funds were not earmarked to pay for any specific acquisition, and will simply beef up Hillsdown's balance sheet after it has become temporarily, though by no means uncomfortably, cluttered up with debt.

There were no cozy underwriting fees involved in either transaction. The good news for shareholders is not so good for the City, except those investment bankers with enough capital and placing power to take the risk of bought deals such as Granada's. The winds of change are blowing fast indeed.

John Bell
City Editor

TEMPUS

Cash-rich Hillsdown ready to land the big one

The City's confidence in Hillsdown Holdings was demonstrated yesterday, when the shares lost only 5p to 211p on news of a very large placing not geared to a specific acquisition.

The placing - with the new customary 100 per cent clawback facility - represents 38.5 per cent of Hillsdown's existing equity. The market usually likes to know a bit more about a company's intentions, when being asked to swallow issues of such a size.

The placing route, rather than a rights issue, had the double attraction of being cheaper and safer. The directors, who command 48 per cent of Hillsdown's shares, will not participate in the placing, so allowing their stake to fall to just under 35 per cent.

A rights issue would have left a large chunk of unwanted directors' rights slushing around the market, which might have fallen into the wrong hands.

The discount on the placing route at 9 per cent is also very tight, given the total clawback facility. Some companies are required to offer a 9 per cent discount on conventional vendor placings.

The new money will put Hillsdown in a position to make a single large acquisition. Shareholders funds will be boosted to £353.1 million from £164.3 million at the end of last year and gearing will be eliminated.

Hillsdown could spend £500 million in a mixture of cash and shares, before its balance sheet would start to creak. And given new American notions of acceptable gearing levels and Hillsdown's record for rapidly turning round acquisitions and making them generate cash, the balance sheet could possibly stand a bit more.

Even after yesterday's share price slippage, Hillsdown stands at a 20 per cent premium to the food manufacturing sector, giving it ample opportunity to acquire less well-rated companies. The company could of course carry on its policy of lots of little acquisitions, but the market is convinced that

the clearing-the-decks exercise is in preparation for the big one. After the disappointment of the bid for S&W Berisford - itself worth nearly £500 million - Hillsdown is seen to be hungry.

Arlington Secs

Arlington Securities went public in May this year, becoming one of the property sector's glamour stocks on a p/e of 15.8 times.

Arlington attracted investors because it is a trading company specializing in a particular sector of the market - the development of low-density business parks for growth industries.

The company's first set of interim results since the flotation show that it made pretax profits of £762,000 to June 30, 1986, compared with losses of £188,000 for the same period of the previous year. Juicy profits are promised in the second half, with the full year put at £5.15 million or more.

Arlington will not be drawn on how that will be achieved. But it now has consent for six business parks with various partners, two of whom are being bought out for 4.2 million shares on Arlington's Birmingham development.

Intriguing prospects are raised by Mr. Robert Maxwell's 11 per cent stake in Arlington, acquired through his purchase of the Philip Hill Investment Trust. Arlington plans a £60 million office scheme in Holborn, London, just across the street from Mr. Maxwell's growing property interests in the area, including his big Mirror Group headquarters. The possibility of a joint development is being explored. Arlington's shares stood at 190p last night.

Davies & Newman

Davies & Newman, best known for its ownership of Dan-Air, is conservative with a small "c". Therefore, the chairman's interim report which says in effect that, barring unforeseen circumstances, the results for the year will be satisfactory,

should not be dismissed out of hand.

The market, however, did not get the message and the shares fell on yesterday's results from 281p to 275p.

Heavy overheads are usually taken in the first half of the year when the chartered aircraft business is seasonally flat. However, losses at £3.48 million were marginally less than those incurred last year.

This was encouraging given that interest, depreciation and leasing charges were higher after the additions to the fleet of an Airbus and a Boeing 747 200.

Demand began to pick up in the middle of the second quarter. This has carried through into the second half.

Although the number of hours which the group will fly this year is unlikely to be much more than last year's 130,000, the extra capacity obtained with the additional aircraft will lead to an increase in profits.

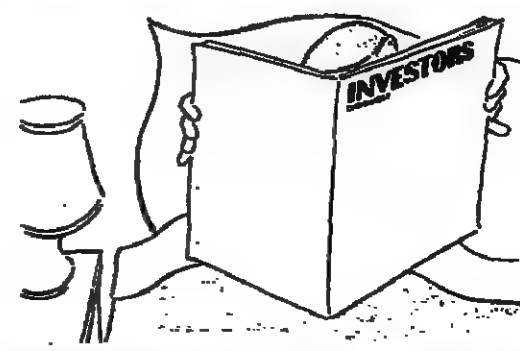
Margins are still under pressure although there has been a slight widening since last year. Scheduled routes provide a higher margin and are less seasonal than charter business. However, uncertainties on load factors make this a difficult area.

The group is continuing its drive to increase the quality of its scheduled routes. If and when this is achieved, some of the less profitable routes may be dropped. At present, turnover from this type of business accounts for about 20 per cent of total airline business.

Shipbroking, tank chartering and ship agency businesses are ticking over. Low freight rates are not helping. Of the associated companies, Gatwick Handling did well. However, the fall in North Sea activity has had a detrimental effect on results from Dan-Smedvig, which has been cut back.

For the year as a whole, profits should easily exceed the depressed £1.1 million reported last year. It may be early days, however, for profits to recover to the £3 million to £4 million levels achieved in 1983 and 1984.

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THE TIMES UNIT TRUST INFORMATION SERVICE

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The prices in this section refer to Thursday's trading

UNLISTED SECURITIES

| 1999 | High | Low | Company | Price | Chgs | Yld % | Pct |
|------|------|-----|----------|-------|------|-------|-----|
| 100 | 100 | 100 | A & M Co | 100 | 0 | 100 | 100 |
| 101 | 101 | 101 | Adco | 101 | 0 | 101 | 101 |
| 102 | 102 | 102 | Adco | 102 | 0 | 102 | 102 |
| 103 | 103 | 103 | Adco | 103 | 0 | 103 | 103 |
| 104 | 104 | 104 | Adco | 104 | 0 | 104 | 104 |
| 105 | 105 | 105 | Adco | 105 | 0 | 105 | 105 |
| 106 | 106 | 106 | Adco | 106 | 0 | 106 | 106 |
| 107 | 107 | 107 | Adco | 107 | 0 | 107 | 107 |
| 108 | 108 | 108 | Adco | 108 | 0 | 108 | 108 |
| 109 | 109 | 109 | Adco | 109 | 0 | 109 | 109 |
| 110 | 110 | 110 | Adco | 110 | 0 | 110 | 110 |
| 111 | 111 | 111 | Adco | 111 | 0 | 111 | 111 |
| 112 | 112 | 112 | Adco | 112 | 0 | 112 | 112 |
| 113 | 113 | 113 | Adco | 113 | 0 | 113 | 113 |
| 114 | 114 | 114 | Adco | 114 | 0 | 114 | 114 |
| 115 | 115 | 115 | Adco | 115 | 0 | 115 | 115 |
| 116 | 116 | 116 | Adco | 116 | 0 | 116 | 116 |
| 117 | 117 | 117 | Adco | 117 | 0 | 117 | 117 |
| 118 | 118 | 118 | Adco | 118 | 0 | 118 | 118 |
| 119 | 119 | 119 | Adco | 119 | 0 | 119 | 119 |
| 120 | 120 | 120 | Adco | 120 | 0 | 120 | 120 |
| 121 | 121 | 121 | Adco | 121 | 0 | 121 | 121 |
| 122 | 122 | 122 | Adco | 122 | 0 | 122 | 122 |
| 123 | 123 | 123 | Adco | 123 | 0 | 123 | 123 |
| 124 | 124 | 124 | Adco | 124 | 0 | 124 | 124 |
| 125 | 125 | 125 | Adco | 125 | 0 | 125 | 125 |
| 126 | 126 | 126 | Adco | 126 | 0 | 126 | 126 |
| 127 | 127 | 127 | Adco | 127 | 0 | 127 | 127 |
| 128 | 128 | 128 | Adco | 128 | 0 | 128 | 128 |
| 129 | 129 | 129 | Adco | 129 | 0 | 129 | 129 |
| 130 | 130 | 130 | Adco | 130 | 0 | 130 | 130 |
| 131 | 131 | 131 | Adco | 131 | 0 | 131 | 131 |
| 132 | 132 | 132 | Adco | 132 | 0 | 132 | 132 |
| 133 | 133 | 133 | Adco | 133 | 0 | 133 | 133 |
| 134 | 134 | 134 | Adco | 134 | 0 | 134 | 134 |
| 135 | 135 | 135 | Adco | 135 | 0 | 135 | 135 |
| 136 | 136 | 136 | Adco | 136 | 0 | 136 | 136 |
| 137 | 137 | 137 | Adco | 137 | 0 | 137 | 137 |
| 138 | 138 | 138 | Adco | 138 | 0 | 138 | 138 |
| 139 | 139 | 139 | Adco | 139 | 0 | 139 | 139 |
| 140 | 140 | 140 | Adco | 140 | 0 | 140 | 140 |
| 141 | 141 | 141 | Adco | 141 | 0 | 141 | 141 |
| 142 | 142 | 142 | Adco | 142 | 0 | 142 | 142 |
| 143 | 143 | 143 | Adco | 143 | 0 | 143 | 143 |
| 144 | 144 | 144 | Adco | 144 | 0 | 144 | 144 |
| 145 | 145 | 145 | Adco | 145 | 0 | 145 | 145 |
| 146 | 146 | 146 | Adco | 146 | 0 | 146 | 146 |
| 147 | 147 | 147 | Adco | 147 | 0 | 147 | 147 |
| 148 | 148 | 148 | Adco | 148 | 0 | 148 | 148 |
| 149 | 149 | 149 | Adco | 149 | 0 | 149 | 149 |
| 150 | 150 | 150 | Adco | 150 | 0 | 150 | 150 |
| 151 | 151 | 151 | Adco | 151 | 0 | 151 | 151 |
| 152 | 152 | 152 | Adco | 152 | 0 | 152 | 152 |
| 153 | 153 | 153 | Adco | 153 | 0 | 153 | 153 |
| 154 | 154 | 154 | Adco | 154 | 0 | 154 | 154 |
| 155 | 155 | 155 | Adco | 155 | 0 | 155 | 155 |
| 156 | 156 | 156 | Adco | 156 | 0 | 156 | 156 |
| 157 | 157 | 157 | Adco | 157 | 0 | 157 | 157 |
| 158 | 158 | 158 | Adco | 158 | 0 | 158 | 158 |
| 159 | 159 | 159 | Adco | 159 | 0 | 159 | 159 |
| 160 | 160 | 160 | Adco | 160 | 0 | 160 | 160 |

INVESTMENT TRUSTS

| 1990 | | Gross | | Yld | | 1990 | | Gross | | Yld | | 1990 | | Gross | | Yld | | | | |
|------|-----|---------|-------|--------|-----|------|------|-------|------------|-------|--------|------|-----|-------|-----|---------|-------|--------|-----|-----|
| High | Low | Company | Price | Change | Pct | Pct | High | Low | Company | Price | Change | Pct | Pct | High | Low | Company | Price | Change | Pct | Pct |
| 117 | 82 | Alco | 116 | 0.0 | 3.1 | 22.7 | 282 | 244 | Brookshire | 390 | 0.0 | 5.4 | 5.4 | 183 | 81 | AT | 100.0 | 0.0 | 5.3 | 5.3 |
| 118 | 82 | Alco | 116 | 0.0 | 3.1 | 22.7 | 282 | 244 | Brookshire | 390 | 0.0 | 5.4 | 5.4 | 183 | 81 | AT | 100.0 | 0.0 | 5.3 | 5.3 |
| 119 | 82 | Alco | 116 | 0.0 | 3.1 | 22.7 | 282 | 244 | Brookshire | 390 | 0.0 | 5.4 | 5.4 | 183 | 81 | AT | 100.0 | 0.0 | 5.3 | 5.3 |
| 120 | 82 | Alco | 116 | 0.0 | 3.1 | 22.7 | 282 | 244 | Brookshire | 390 | 0.0 | 5.4 | 5.4 | 183 | 81 | AT | 100.0 | 0.0 | 5.3 | 5.3 |
| 121 | 82 | Alco | 116 | 0.0 | 3.1 | 22.7 | 282 | 244 | Brookshire | 390 | 0.0 | 5.4 | 5.4 | 183 | 81 | AT | 100.0 | 0.0 | 5.3 | 5.3 |
| 122 | 82 | Alco | 116 | 0.0 | 3.1 | 22.7 | 282 | 244 | Brookshire | 390 | 0.0 | 5.4 | 5.4 | 183 | 81 | AT | 100.0 | 0.0 | 5.3 | 5.3 |
| 123 | 82 | Alco | 116 | 0.0 | 3.1 | 22.7 | 282 | 244 | Brookshire | 390 | 0.0 | 5.4 | 5.4 | 183 | 81 | AT | 100.0 | 0.0 | 5.3 | 5.3 |
| 124 | 82 | Alco | 116 | 0.0 | 3.1 | 22.7 | 282 | 244 | Brookshire | 390 | 0.0 | 5.4 | 5.4 | 183 | 81 | AT | 100.0 | 0.0 | 5.3 | 5.3 |
| 125 | 82 | Alco | 116 | 0.0 | 3.1 | 22.7 | 282 | 244 | Brookshire | 390 | 0.0 | 5.4 | 5.4 | 183 | 81 | AT | 100.0 | 0.0 | 5.3 | 5.3 |
| 126 | 82 | Alco | 116 | 0.0 | 3.1 | 22.7 | 282 | 244 | Brookshire | 390 | 0.0 | 5.4 | 5.4 | 183 | 81 | AT | 100.0 | 0.0 | 5.3 | 5.3 |
| 127 | 82 | Alco | 116 | 0.0 | 3.1 | 22.7 | 282 | 244 | Brookshire | 390 | 0.0 | 5.4 | 5.4 | 183 | 81 | AT | 100.0 | 0.0 | 5.3 | 5.3 |
| 128 | 82 | Alco | 116 | 0.0 | 3.1 | 22.7 | 282 | 244 | Brookshire | 390 | 0.0 | 5.4 | 5.4 | 183 | 81 | AT | 100.0 | 0.0 | 5.3 | 5.3 |
| 129 | 82 | Alco | 116 | 0.0 | 3.1 | 22.7 | 282 | 244 | Brookshire | 390 | 0.0 | 5.4 | 5.4 | 183 | 81 | AT | 100.0 | 0.0 | 5.3 | 5.3 |
| 130 | 82 | Alco | 116 | 0.0 | 3.1 | 22.7 | 282 | 244 | Brookshire | 390 | 0.0 | 5.4 | 5.4 | 183 | 81 | AT | 100.0 | 0.0 | 5.3 | 5.3 |
| 131 | 82 | Alco | 116 | 0.0 | 3.1 | 22.7 | 282 | 244 | Brookshire | 390 | 0.0 | 5.4 | 5.4 | 183 | 81 | AT | 100.0 | 0.0 | 5.3 | 5.3 |
| 132 | 82 | Alco | 116 | 0.0 | 3.1 | 22.7 | 282 | 244 | Brookshire | 390 | 0.0 | 5.4 | 5.4 | 183 | 81 | AT | 100.0 | 0.0 | 5.3 | 5.3 |
| 133 | 82 | Alco | 116 | 0.0 | 3.1 | 22.7 | 282 | 244 | Brookshire | 390 | 0.0 | 5.4 | 5.4 | 183 | 81 | AT | 100.0 | 0.0 | 5.3 | 5.3 |
| 134 | 82 | Alco | 116 | 0.0 | 3.1 | 22.7 | 282 | 244 | Brookshire | 390 | 0.0 | 5.4 | 5.4 | 183 | 81 | AT | 100.0 | 0.0 | 5.3 | 5.3 |
| 135 | 82 | Alco | 116 | 0.0 | 3.1 | 22.7 | 282 | 244 | Brookshire | 390 | 0.0 | 5.4 | 5.4 | 183 | 81 | AT | 100.0 | 0.0 | 5.3 | 5.3 |
| 136 | 82 | Alco | 116 | 0.0 | 3.1 | 22.7 | 282 | 244 | Brookshire | 390 | 0.0 | 5.4 | 5.4 | 183 | 81 | AT | 100.0 | 0.0 | 5.3 | 5.3 |
| 137 | 82 | Alco | 116 | 0.0 | 3.1 | 22.7 | 282 | 244 | Brookshire | 390 | 0.0 | 5.4 | 5.4 | 183 | 81 | AT | 100.0 | 0.0 | 5.3 | 5.3 |
| 138 | 82 | Alco | 116 | 0.0 | 3.1 | 22.7 | 282 | 244 | Brookshire | 390 | 0.0 | 5.4 | 5.4 | 183 | 81 | AT | 100.0 | 0.0 | 5.3 | 5.3 |
| 139 | 82 | Alco | 116 | 0.0 | 3.1 | 22.7 | 282 | 244 | Brookshire | 390 | 0.0 | 5.4 | 5.4 | 183 | 81 | AT | 100.0 | 0.0 | 5.3 | 5.3 |
| 140 | 82 | Alco | 116 | 0.0 | 3.1 | 22.7 | 282 | 244 | Brookshire | 390 | 0.0 | 5.4 | 5.4 | 183 | 81 | AT | 100.0 | 0.0 | 5.3 | 5.3 |
| 141 | 82 | Alco | 116 | 0.0 | 3.1 | 22.7 | 282 | 244 | Brookshire | 390 | 0.0 | 5.4 | 5.4 | 183 | 81 | AT | 100.0 | 0.0 | 5.3 | 5.3 |
| 142 | 82 | Alco | 116 | 0.0 | 3.1 | 22.7 | 282 | 244 | Brookshire | 390 | 0.0 | 5.4 | 5.4 | 183 | 81 | AT | 100.0 | 0.0 | 5.3 | 5.3 |
| 143 | 82 | Alco | 116 | 0.0 | 3.1 | 22.7 | 282 | 244 | Brookshire | 390 | 0.0 | 5.4 | 5.4 | 183 | 81 | AT | 100.0 | 0.0 | 5.3 | 5.3 |
| 144 | 82 | Alco | 116 | 0.0 | 3.1 | 22.7 | 282 | 244 | Brookshire | 390 | 0.0 | 5.4 | 5.4 | 183 | 81 | AT | 100.0 | 0.0 | 5.3 | 5.3 |
| 145 | 82 | Alco | 116 | 0.0 | 3.1 | 22.7 | 282 | 244 | Brookshire | 390 | 0.0 | 5.4 | 5.4 | 183 | 81 | AT | 100.0 | 0.0 | 5.3 | 5.3 |
| 146 | 82 | Alco | 116 | 0.0 | 3.1 | 22.7 | 282 | 244 | Brookshire | 390 | 0.0 | 5.4 | 5.4 | 183 | 81 | AT | 100.0 | 0.0 | 5.3 | 5.3 |
| 147 | 82 | Alco | 116 | 0.0 | 3.1 | 22.7 | 282 | 244 | Brookshire | 390 | 0.0 | 5.4 | 5.4 | 183 | 81 | AT | 100.0 | 0.0 | 5.3 | 5.3 |
| 148 | 82 | Alco | 116 | 0.0 | 3.1 | 22.7 | 282 | 244 | Brookshire | 390 | 0.0 | 5.4 | 5.4 | 183 | 81 | AT | 100.0 | 0.0 | 5.3 | 5.3 |
| 149 | 82 | Alco | 116 | 0.0 | 3.1 | 22.7 | 282 | 244 | Brookshire | 390 | 0.0 | 5.4 | 5.4 | 183 | 81 | AT | 100.0 | 0.0 | 5.3 | 5.3 |
| 150 | 82 | Alco | 116 | 0.0 | 3.1 | 22.7 | 282 | 244 | Brookshire | 390 | 0.0 | 5.4 | 5.4 | 183 | 81 | AT | 100.0 | 0.0 | 5.3 | 5.3 |
| 151 | 82 | Alco | 116 | 0.0 | 3.1 | 22.7 | 282 | 244 | Brookshire | 390 | 0.0 | 5.4 | 5.4 | 183 | 81 | AT | 100.0 | 0.0 | 5.3 | 5.3 |
| 152 | 82 | Alco | 116 | 0.0 | 3.1 | 22.7 | 282 | 244 | Brookshire | 390 | 0.0 | 5.4 | 5.4 | 183 | 81 | AT | 100.0 | 0.0 | 5.3 | 5.3 |
| 153 | 82 | Alco | 116 | 0.0 | 3.1 | 22.7 | 282 | 244 | Brookshire | 390 | 0.0 | 5.4 | 5.4 | 183 | 81 | AT | 100.0 | 0.0 | 5.3 | 5.3 |
| 154 | 82 | Alco | 116 | 0.0 | 3.1 | 22.7 | 282 | 244 | Brookshire | 390 | 0.0 | 5.4 | 5.4 | 183 | 81 | AT | 100.0 | 0.0 | 5.3 | 5.3 |
| 155 | 82 | Alco | 116 | 0.0 | 3.1 | 22.7 | 282 | 244 | Brookshire | 390 | 0.0 | 5.4 | 5.4 | 183 | 81 | AT | 100.0 | 0.0 | 5.3 | 5.3 |
| 156 | 82 | Alco | 116 | 0.0 | 3.1 | 22.7 | 282 | 244 | Brookshire | 390 | 0.0 | 5.4 | 5.4 | 183 | 81 | AT | 100.0 | 0.0 | 5.3 | 5.3 |
| 157 | 82 | Alco | 116 | 0.0 | 3.1 | 22.7 | 282 | 244 | Brookshire | 390 | 0.0 | 5.4 | 5.4 | 183 | 81 | AT | 100.0 | 0.0 | 5.3 | 5.3 |
| 158 | 82 | Alco | 116 | 0.0 | 3.1 | 22.7 | 282 | 244 | Brookshire | 390 | 0.0 | 5.4 | 5.4 | 183 | 81 | AT | 100.0 | 0.0 | 5.3 | 5.3 |
| 159 | 82 | Alco | 116 | 0.0 | 3.1 | 22.7 | 282 | 244 | Brookshire | 390 | 0.0 | 5.4 | 5.4 | 183 | 81 | AT | 100.0 | 0.0 | 5.3 | 5.3 |
| 160 | 82 | Alco | 116 | 0.0 | 3.1 | 22.7 | 282 | 244 | Brookshire | 390 | 0.0 | 5.4 | 5.4 | 183 | 81 | AT | 100.0 | 0.0 | 5.3 | 5.3 |
| 161 | 82 | Alco | 116 | 0.0 | 3.1 | 22.7 | 282 | 244 | Brookshire | 390 | 0.0 | 5.4 | 5.4 | 183 | 81 | AT | 100.0 | 0.0 | 5.3 | 5.3 |
| 162 | 82 | Alco | 116 | 0.0 | 3.1 | 22.7 | 282 | 244 | Brookshire | 390 | 0.0 | 5.4 | 5.4 | 183 | 81 | AT | 100.0 | 0.0 | 5.3 | 5.3 |
| 163 | 82 | Alco | 116 | 0.0 | 3.1 | 22.7 | 282 | 244 | Brookshire | 390 | 0.0 | 5.4 | 5.4 | 183 | 81 | AT | 100.0 | 0.0 | 5.3 | 5.3 |
| 164 | 82 | Alco | 116 | 0.0 | 3.1 | 22.7 | 282 | 244 | Brookshire | 390 | 0.0 | 5.4 | 5.4 | 183 | 81 | AT | 100.0 | 0.0 | 5.3 | 5.3 |
| 165 | 82 | Alco | 116 | 0.0 | 3.1 | 22.7 | 282 | 244 | Brookshire | 390 | 0.0 | 5.4 | 5.4 | 183 | 81 | AT | 100.0 | 0.0 | 5.3 | 5.3 |
| 166 | 82 | Alco | 116 | 0.0 | 3.1 | 22.7 | 282 | 244 | Brookshire | 390 | 0.0 | 5.4 | 5.4 | 183 | 81 | AT | 100.0 | 0.0 | 5.3 | 5.3 |
| 167 | 82 | Alco | 116 | 0.0 | 3.1 | 22.7 | 282 | 244 | Brookshire | 390 | 0.0 | 5.4 | 5.4 | 183 | 81 | AT | 100.0 | 0.0 | 5.3 | 5.3 |
| 168 | 82 | Alco | 116 | 0.0 | 3.1 | 22.7 | 282 | 244 | Brookshire | 390 | 0.0 | 5.4 | 5.4 | 183 | 81 | AT | 100.0 | 0.0 | 5.3 | 5.3 |
| 169 | 82 | Alco | 116 | 0.0 | 3.1 | 22.7 | 282 | 244 | Brookshire | 390 | 0.0 | 5.4 | 5.4 | 183 | 81 | AT | 100.0 | 0.0 | 5.3 | 5.3 |
| 170 | 82 | Alco | 116 | 0.0 | 3.1 | 22.7 | 282 | 244 | Brookshire | 390 | 0.0 | 5.4 | 5.4 | 183 | 81 | AT | 100.0 | 0.0 | 5.3 | 5.3 |
| 171 | 82 | Alco | 116 | 0.0 | 3.1 | 22.7 | 282 | 244 | Brookshire | 390 | 0.0 | 5.4 | 5.4 | 183 | 81 | AT | 100.0 | 0.0 | 5.3 | 5.3 |
| 172 | 82 | Alco | 116 | 0.0 | 3.1 | 22.7 | 282 | 244 | Brookshire | 390 | 0.0 | 5.4 | 5.4 | 183 | 81 | AT | 100.0 | 0.0 | 5.3 | 5.3 |
| 173 | 82 | Alco | 116 | 0.0 | 3.1 | 22.7 | 282 | 244 | Brookshire | 390 | 0.0 | 5.4 | 5.4 | 183 | 81 | AT | 100.0 | 0.0 | 5.3 | 5.3 |
| 174 | 82 | Alco | 116 | 0.0 | 3.1 | 22.7 | 282 | 244 | Brookshire | 390 | 0.0 | 5.4 | 5.4 | 183 | 81 | AT | 100.0 | 0.0 | 5.3 | 5.3 |
| 175 | 82 | Alco | 116 | 0.0 | 3.1 | 22.7 | 282 | 244 | Brookshire | 390 | 0.0 | 5.4 | 5.4 | 183 | 81 | AT | 100.0 | 0.0 | 5.3 | 5.3 |
| 176 | 82 | Alco | 116 | 0.0 | 3.1 | 22.7 | 282 | 244 | Brookshire | 390 | 0.0 | 5.4 | 5.4 | 183 | 81 | AT | 100.0 | 0.0 | 5.3 | 5.3 |
| 177 | 82 | Alco | 116 | 0.0 | 3.1 | 22.7 | 282 | 244 | Brookshire | 390 | 0.0 | 5.4 | 5.4 | 183 | 81 | AT | 100.0 | 0.0 | 5.3 | 5.3 |
| 178 | 82 | Alco | 116 | 0.0 | 3.1 | 22.7 | 282 | 244 | Brookshire | 390 | 0.0 | 5.4 | 5.4 | 183 | 81 | AT | 100.0 | 0.0 | 5.3 | 5.3 |
| 179 | 82 | Alco | 116 | 0.0 | 3.1 | 22.7 | 282 | 244 | Brookshire | 390 | 0.0 | 5.4 | 5.4 | 183 | 81 | AT | 100.0 | 0.0 | 5.3 | 5.3 |
| 180 | 82 | Alco | 116 | 0.0 | 3.1 | 22.7 | 282 | 244 | Brookshire | 390 | 0.0 | 5.4 | 5.4 | 183 | 81 | AT | 100.0 | 0.0 | 5.3 | 5.3 |
| 181 | 82 | Alco | 116 | 0.0 | 3.1 | 22.7 | 282 | 244 | Brookshire | 390 | 0.0 | 5.4 | 5.4 | 183 | 81 | AT | 100.0 | 0.0 | 5.3 | 5.3 |
| 182 | 82 | Alco | 116 | 0.0 | 3.1 | 22.7 | 282 | 244 | Brookshire | 390 | 0.0 | 5.4 | 5.4 | 183 | 81 | AT | 100.0 | 0.0 | 5.3 | 5.3 |
| 183 | 82 | Alco | 116 | 0.0 | 3.1 | 22.7 | 282 | 244 | Brookshire | 390 | 0.0 | 5.4 | 5.4 | 183 | 81 | AT | 100.0 | 0.0 | 5.3 | 5.3 |
| 184 | 82 | Alco | 116 | 0.0 | 3.1 | 22.7 | 282 | 244 | Brookshire | 390 | 0.0 | 5.4 | 5.4 | 183 | 81 | AT | 100.0 | 0.0 | 5.3 | 5.3 |
| 185 | 82 | Alco | 116 | 0.0 | 3.1 | 22.7 | 282 | 244 | Brookshire | 390 | 0.0 | 5.4 | 5.4 | 183 | 81 | AT | 100.0 | 0.0 | 5.3 | 5.3 |
| 186 | 82 | Alco | 116 | 0.0 | 3.1 | 22.7 | 282 | 244 | Brookshire | 390 | 0.0 | 5.4 | 5.4 | 183 | 81 | AT | 100.0 | 0.0 | 5.3 | 5.3 |
| 187 | 82 | Alco | 116 | 0.0 | 3.1 | 22.7 | 282 | 244 | Brookshire | 390 | 0.0 | 5.4 | 5.4 | 183 | 81 | AT | 100.0 | 0.0 | 5.3 | 5.3 |
| 188 | 82 | Alco | 116 | 0.0 | 3.1 | 22.7 | 282 | 244 | Brookshire | | | | | | | | | | | |

FINANCIAL TRUSTS

[illegible]

Portfolio Gold

From your portfolio card check your eight share price movements. Add them up to give you your overall total. Check against the daily dividend figure published on this page. If it matches you have won outright or a share of the total prize money. If you are a winner follow the claim procedure on the back of your card. You must always have your card available when claiming.

| No. | Company | Group | Gain or loss |
|-----|----------------------|--------------------|--------------|
| 1 | Armada | Building/Roads | |
| 2 | Marika & Spencer | Drugs/Stores | |
| 3 | DPTC | Industrials A-D | |
| 4 | Lee Cooper | Drugs/Stores | |
| 5 | Scad & Simpson | Drugs/Stores | |
| 6 | Ratners (Jewellers) | Drugs/Stores | |
| 7 | Greenall Whitley | Drugs/Stores | |
| 8 | Trent | Building/Roads | |
| 9 | Harwood Foods | Food | |
| 10 | Empire Stores | Drugs/Stores | |
| 11 | Dunhill | Drugs/Stores | |
| 12 | Marshall (Laxey) | Industrials L-R | |
| 13 | BICC | Electricals | |
| 14 | Advest | Industrials A-D | |
| 15 | Lee (John J) | Food | |
| 16 | Plaxtons (GB) | Motors/Aircraft | |
| 17 | Rugby Cement | Building/Roads | |
| 18 | Woolworth | Drugs/Stores | |
| 19 | Boddingtons | Beverages | |
| 20 | Int Signal & Control | Electricals | |
| 21 | Morrison (W) | Food | |
| 22 | Vickers | Industrials S-Z | |
| 23 | Britt Chem | Chemicals/Plastics | |
| 24 | Low & Bonar | Industrials L-R | |
| 25 | Renold | Industrials L-R | |
| 26 | Nor | Drugs/Stores | |
| 27 | Manders | Building/Roads | |
| 28 | ASDA-MFI | Food | |
| 29 | Bagdon | Chemicals/Plastics | |
| 30 | Halma | Industrials E-K | |
| 31 | Black | Electricals | |
| 32 | Wyndham Eng | Industrials S-Z | |
| 33 | Lex | Motors/Aircraft | |
| 34 | Seelley | Industrials S-Z | |
| 35 | Trifalgar House | Industrials S-Z | |
| 36 | Unigroup | Industrials S-Z | |
| 37 | BSR | Motors/Aircraft | |
| 38 | BSR | Electricals | |
| 39 | OR | Industrials E-K | |
| 40 | Lafarge | Chemicals/Plastics | |
| 41 | Rediffon | Building/Roads | |
| 42 | Thorn | Building/Roads | |
| 43 | Weir | Industrials S-Z | |
| 44 | Ford Motor | Motors/Aircraft | |
| 45 | Time Newspaper Ltd | Daily Total | |

Please be sure to take account of any minus signs

Weekly Dividend

Please make a note of your daily totals for the weekly dividend of £8,000 in today's newspaper.

| MON | TUE | WED | THU | FRI | SAT | TOTAL |
|-----|-----|-----|-----|-----|-----|-------|
| | | | | | | |

BRITISH FUNDS

High Low Price Change %

1986

1985

1984

1983

1982

1981

1980

1979

1978

1977

1976

1975

1974

1973

1972

1971

1970

1969

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1933

1932

1931

1930

STOCK EXCHANGE PRICES

Investors remain cautious

ACCOUNT DAYS: Dealings begin on Monday, Dealings end October 24, Settlement day October 27, Settlement day November 3.

Forward bargains are permitted on two previous business days.

| 1986 | High | Low | Company | Price | Change | % | P/E |
|------|------|-----|----------------------|-------|--------|---|-----|
| 1985 | 100 | 100 | Armada | 100 | 0 | 0 | 100 |
| 1984 | 100 | 100 | Marika & Spencer | 100 | 0 | 0 | 100 |
| 1983 | 100 | 100 | DPTC | 100 | 0 | 0 | 100 |
| 1982 | 100 | 100 | Lee Cooper | 100 | 0 | 0 | 100 |
| 1981 | 100 | 100 | Scad & Simpson | 100 | 0 | 0 | 100 |
| 1980 | 100 | 100 | Ratners (Jewellers) | 100 | 0 | 0 | 100 |
| 1979 | 100 | 100 | Greenall Whitley | 100 | 0 | 0 | 100 |
| 1978 | 100 | 100 | Trent | 100 | 0 | 0 | 100 |
| 1977 | 100 | 100 | Harwood Foods | 100 | 0 | 0 | 100 |
| 1976 | 100 | 100 | Empire Stores | 100 | 0 | 0 | 100 |
| 1975 | 100 | 100 | Dunhill | 100 | 0 | 0 | 100 |
| 1974 | 100 | 100 | Marshall (Laxey) | 100 | 0 | 0 | 100 |
| 1973 | 100 | 100 | BICC | 100 | 0 | 0 | 100 |
| 1972 | 100 | 100 | Advest | 100 | 0 | 0 | 100 |
| 1971 | 100 | 100 | Lee (John J) | 100 | 0 | 0 | 100 |
| 1970 | 100 | 100 | Plaxtons (GB) | 100 | 0 | 0 | 100 |
| 1969 | 100 | 100 | Rugby Cement | 100 | 0 | 0 | 100 |
| 1968 | 100 | 100 | Woolworth | 100 | 0 | 0 | 100 |
| 1967 | 100 | 100 | Boddingtons | 100 | 0 | 0 | 100 |
| 1966 | 100 | 100 | Int Signal & Control | 100 | 0 | 0 | 100 |
| 1965 | 100 | 100 | Morrison (W) | 100 | 0 | 0 | 100 |
| 1964 | 100 | 100 | Vickers | 100 | 0 | 0 | 100 |
| 1963 | 100 | 100 | Britt Chem | 100 | 0 | 0 | 100 |
| 1962 | 100 | 100 | Low & Bonar | 100 | 0 | 0 | 100 |
| 1961 | 100 | 100 | Renold | 100 | 0 | 0 | 100 |
| 1960 | 100 | 100 | Nor | 100 | 0 | 0 | 100 |
| 1959 | 100 | 100 | Manders | 100 | 0 | 0 | 100 |
| 1958 | 100 | 100 | ASDA-MFI | 100 | 0 | 0 | 100 |
| 1957 | 100 | 100 | Bagdon | 100 | 0 | 0 | 100 |
| 1956 | 100 | 100 | Halma | 100 | 0 | 0 | 100 |
| 1955 | 100 | 100 | Black | 100 | 0 | 0 | 100 |
| 1954 | 100 | 100 | Wyndham Eng | 100 | 0 | 0 | 100 |
| 1953 | 100 | 100 | Lex | 100 | 0 | 0 | 100 |
| 1952 | 100 | 100 | Seelley | 100 | 0 | 0 | 100 |
| 1951 | 100 | 100 | Trifalgar House | 100 | 0 | 0 | 100 |
| 1950 | 100 | 100 | Unigroup | 100 | 0 | 0 | 100 |
| 1949 | 100 | 100 | BSR | 100 | 0 | 0 | 100 |
| 1948 | 100 | 100 | BSR | 100 | 0 | 0 | 100 |
| 1947 | 100 | 100 | OR | 100 | 0 | 0 | 100 |
| 1946 | 100 | 100 | Lafarge | 100 | 0 | 0 | 100 |
| 1945 | 100 | 100 | Rediffon | 100 | 0 | 0 | 100 |
| 1944 | 100 | 100 | Thorn | 100 | 0 | 0 | 100 |
| 1943 | 100 | 100 | Weir | 100 | 0 | 0 | 100 |
| 1942 | 100 | 100 | Ford Motor | 100 | 0 | 0 | 100 |
| 1941 | 100 | 100 | Time Newspaper Ltd | 100 | 0 | 0 | 100 |
| 1940 | 100 | 100 | Time Newspaper Ltd | 100 | 0 | 0 | 100 |
| 1939 | 100 | 100 | Time Newspaper Ltd | 100 | 0 | 0 | 100 |
| 1938 | 100 | 100 | Time Newspaper Ltd | 100 | 0 | 0 | 100 |
| 1937 | 100 | 100 | Time Newspaper Ltd | 100 | 0 | 0 | 100 |
| 1936 | 100 | 100 | Time Newspaper Ltd | 100 | 0 | 0 | 100 |
| 1935 | 100 | 100 | Time Newspaper Ltd | 100 | 0 | 0 | 100 |
| 1934 | 100 | 100 | Time Newspaper Ltd | 100 | 0 | 0 | 100 |
| 1933 | 100 | 100 | Time Newspaper Ltd | 100 | 0 | 0 | 100 |
| 1932 | 100 | 100 | Time Newspaper Ltd | 100 | 0 | 0 | 100 |
| 1931 | 100 | 100 | Time Newspaper Ltd | 100 | 0 | 0 | 100 |
| 1930 | 100 | 100 | Time Newspaper Ltd | 100 | 0 | 0 | 100 |

BREWERIES

| 1986 | High | Low | Company | Price | Change | % | P/E |
|------|------|-----|----------------------|-------|--------|---|-----|
| 1985 | 100 | 100 | Armada | 100 | 0 | 0 | 100 |
| 1984 | 100 | 100 | Marika & Spencer | 100 | 0 | 0 | 100 |
| 1983 | 100 | 100 | DPTC | 100 | 0 | 0 | 100 |
| 1982 | 100 | 100 | Lee Cooper | 100 | 0 | 0 | 100 |
| 1981 | 100 | 100 | Scad & Simpson | 100 | 0 | 0 | 100 |
| 1980 | 100 | 100 | Ratners (Jewellers) | 100 | 0 | 0 | 100 |
| 1979 | 100 | 100 | Greenall Whitley | 100 | 0 | 0 | 100 |
| 1978 | 100 | 100 | Trent | 100 | 0 | 0 | 100 |
| 1977 | 100 | 100 | Harwood Foods | 100 | 0 | 0 | 100 |
| 1976 | 100 | 100 | Empire Stores | 100 | 0 | 0 | 100 |
| 1975 | 100 | 100 | Dunhill | 100 | 0 | 0 | 100 |
| 1974 | 100 | 100 | Marshall (Laxey) | 100 | 0 | 0 | 100 |
| 1973 | 100 | 100 | BICC | 100 | 0 | 0 | 100 |
| 1972 | 100 | 100 | Advest | 100 | 0 | 0 | 100 |
| 1971 | 100 | 100 | Lee (John J) | 100 | 0 | 0 | 100 |
| 1970 | 100 | 100 | Plaxtons (GB) | 100 | 0 | 0 | 100 |
| 1969 | 100 | 100 | Rugby Cement | 100 | 0 | 0 | 100 |
| 1968 | 100 | 100 | Woolworth | 100 | 0 | 0 | 100 |
| 1967 | 100 | 100 | Boddingtons | 100 | 0 | 0 | 100 |
| 1966 | 100 | 100 | Int Signal & Control | 100 | 0 | 0 | 100 |
| 1965 | 100 | 100 | Morrison (W) | 100 | 0 | 0 | 100 |
| 1964 | 100 | 100 | Vickers | 100 | 0 | 0 | 100 |
| 1963 | 100 | 100 | Britt Chem | 100 | 0 | 0 | 100 |
| 1962 | 100 | 100 | Low & Bonar | 100 | 0 | 0 | 100 |
| 1961 | 100 | 100 | Renold | 100 | 0 | 0 | 100 |
| 1960 | 100 | 100 | Nor | 100 | 0 | 0 | 100 |
| 1959 | 100 | 100 | Manders | 100 | 0 | 0 | 100 |
| 1958 | 100 | 100 | ASDA-MFI | 100 | 0 | 0 | 100 |
| 1957 | 100 | 100 | Bagdon | 100 | 0 | 0 | 100 |
| 1956 | 100 | 100 | Halma | 100 | 0 | 0 | 100 |
| 1955 | 100 | 100 | Black | 100 | 0 | 0 | 100 |
| 1954 | 100 | 100 | Wyndham Eng | 100 | 0 | 0 | 100 |
| 1953 | 100 | 100 | Lex | 100 | 0 | 0 | 100 |
| 1952 | 100 | 100 | Seelley | 100 | 0 | 0 | 100 |
| 1951 | 100 | 100 | Trifalgar House | 100 | 0 | 0 | 100 |
| 1950 | 100 | 100 | Unigroup | 100 | 0 | 0 | 100 |
| 1949 | 100 | 100 | BSR | 100 | 0 | 0 | 100 |
| 1948 | 100 | 100 | BSR | 100 | 0 | 0 | 100 |
| 1947 | 100 | 100 | OR | 100 | 0 | 0 | 100 |
| 1946 | 100 | 100 | Lafarge | 100 | 0 | 0 | 100 |
| 1945 | 100 | 100 | Rediffon | 100 | 0 | 0 | 100 |
| 1944 | 100 | 100 | Thorn | 100 | 0 | 0 | 100 |
| 1943 | 100 | 100 | Weir | 100 | 0 | 0 | 100 |
| 1942 | 100 | 100 | Ford Motor | 100 | 0 | 0 | 100 |
| 1941 | 100 | 100 | Time Newspaper Ltd | 100 | 0 | 0 | 100 |
| 1940 | 100 | 100 | Time Newspaper Ltd | 100 | 0 | 0 | 100 |
| 1939 | 100 | 100 | Time Newspaper Ltd | 100 | 0 | 0 | 100 |
| 1938 | 100 | 100 | Time Newspaper Ltd | 100 | 0 | 0 | 100 |
| 1937 | 100 | 100 | Time Newspaper Ltd | 100 | 0 | 0 | 100 |
| 1936 | 100 | 100 | Time Newspaper Ltd | 100 | 0 | 0 | 100 |
| 1935 | 100 | 100 | Time Newspaper Ltd | 100 | 0 | 0 | 100 |
| 1934 | 100 | 100 | Time Newspaper Ltd | 100 | 0 | 0 | 100 |
| 1933 | 100 | 100 | Time Newspaper Ltd | 100 | 0 | 0 | 100 |
| 1932 | 100 | 100 | Time Newspaper Ltd | 100 | 0 | 0 | 100 |
| 1931 | 100 | 100 | Time Newspaper Ltd | 100 | 0 | 0 | 100 |
| 1930 | 100 | 100 | Time Newspaper Ltd | 100 | 0 | 0 | 100 |

BUILDINGS AND ROADS

FAMILY MONEY/2

A high-tech high from the Hong Kong market

INVESTMENT

As if to roll out the red carpet in its own inimitable way for the Queen's visit to Hong Kong next week, the local Hang Seng Index hit an all-time high on Wednesday. The pundits say it's going higher. PETER GARTLAND analyses the prospects for UK investors



Jill Smith: 'volatile market'

When the royal yacht Britannia berths in the spectacular setting of Hong Kong Harbour next Tuesday the Queen will set foot in an irrepressible capitalist oasis facing out into the South China Sea.

What she will find is a British colony oozing with brass self-confidence which edge that in just over a decade from now the sovereignty and administration of Hong Kong will revert to the People's Republic of China.

The optimism and confidence of today's local mood is a far cry from just three short years ago when the currency was plummeting and the Hang Seng seemed to be in free fall.

Back in the dark days of October 1983 Hong Kong was still suffering from the cloud of gloom which had appeared following Mrs Thatcher's visit to Peking the previous autumn. Her talks with Chinese officials had not gone well and the Chinese were beginning to make threatening noises about imposing their own unilateral solution on Hong Kong.

Locally at that time even the British expatriates were having nightmares in which they saw themselves pleading with taxi drivers to accept krugers as payment for a last

The nightmares were shortlived

frantic drive to Kai Tak airport just as the chairman of the Central Committee of the Chinese Communist Party was appointing himself chief executive of Jardine Fleming.

Happily the nightmares were shortlived. The colony's then Financial Secretary, Sir John Brearley, bought himself a neat insurance package by linking the local currency to the US dollar.

Subsequently the political negotiations took a turn for the better and after lots of initial hesitation the stock market followed suit.

And not before time, according to Jill Smith, whose Hong Kong fund at Henderson has pulled in £4 million from UK investors in the past month alone.

She says the signs of a massive re-rating in Hong Kong have been building for the last year. Trade with China has regained much of its former momentum. The difference this time around is that there is a bias towards high-technology industrial goods rather than the video tape recorders on which the Communists previously

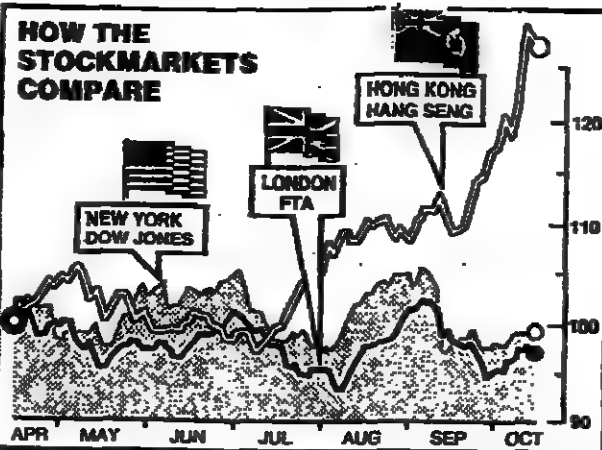
is tempting to conclude that the Hong Kong market is about to collapse.

Wardley Unit Trust Managers warn that there could be a short-term correction but that the positive factors outweigh the negative ones by a very large margin. Even so, Hong Kong is in the third and final phase of a rampant bull market. This is the phase, says Wardley, that is "always the most explosive".

So, something to go for or not? Our view is that Hong Kong is well worth a small amount of fun money. The graphs on this page show just how well the Hang Seng Index has performed in isolation during the past three years as well as its strong relative performance in just the last six months against the tired-looking FTA All-Share and Dow Jones Industrial indices.

While these major markets are drifting sideways amid the current five (watch out for more launches), all aiming for out-and-out capital growth.

The five are Arbuthnot Hong Kong Portfolio (01-628 9876), Gartmore Hong Kong (01-623 1212), Henderson



trusts, of which there are currently five (watch out for more launches), all aiming for out-and-out capital growth.

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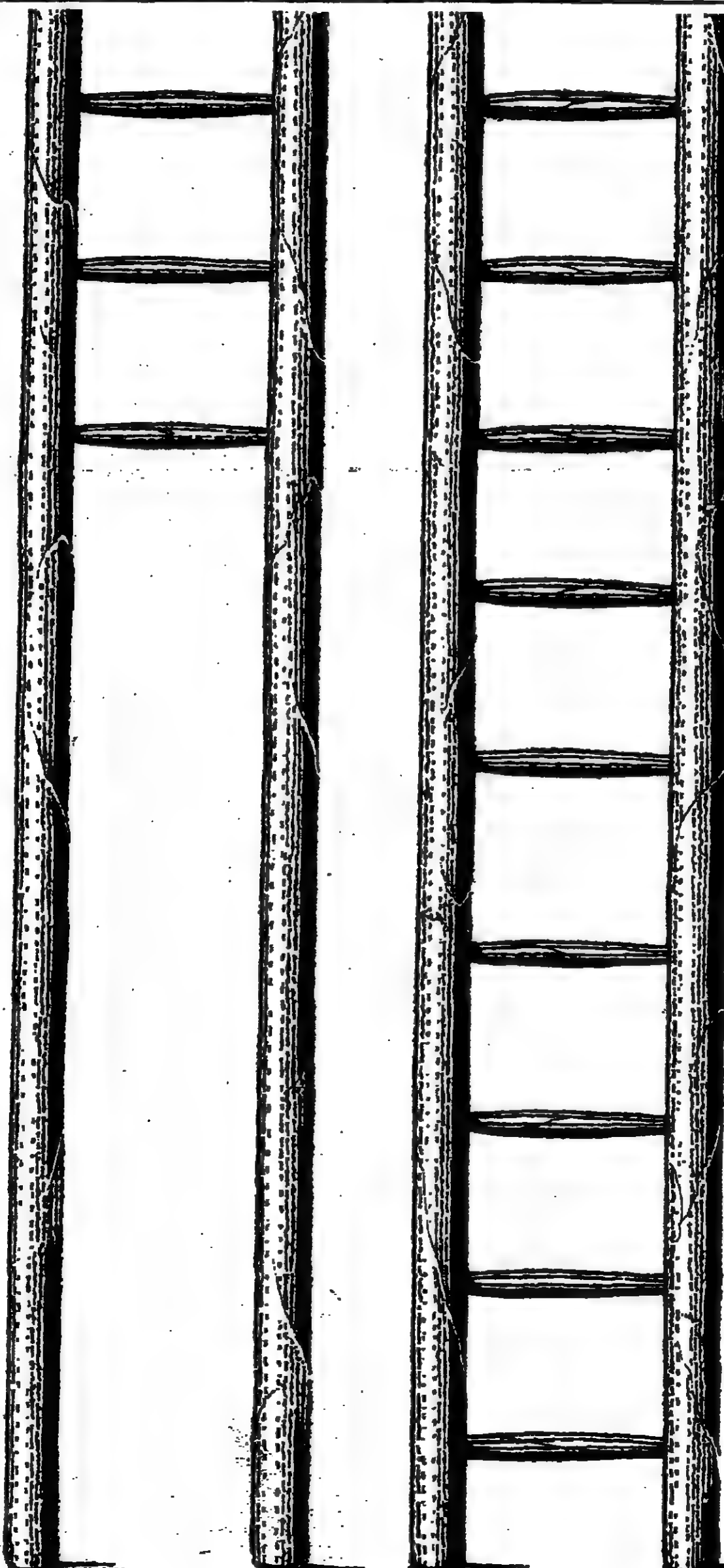
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A step by step approach to capital growth



The Hong Kong stock exchange: the boom goes on

INCREASED INTEREST

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IMMEDIATE WITHDRAWAL
with no loss of interest or penalty

*Plus interest paid half yearly
Net % p.a. Gross Equiv. % p.a.†

BALANCES £10,000 AND OVER

9.60% = 13.84%

BALANCES £500 (minimum) — £9,999

9.15% = 13.18%

Effective 1 November 1986 †Gross equivalent to basic rate tax payers.
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Eagle Star's Far Eastern Unit Trust has more than just its first birthday to celebrate. In the last year it has grown by 111.2%. An outstanding performance by any yardstick. £1,000 invested on October 7th, 1985 would now be worth £2,112.

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The Far Eastern is just one of the 7 Eagle Star Authorised Unit Trusts which are Rainbow Rated. They're all based on the investment principle that levels of reward reflect levels of risk. Here's how they've done.

| Higher Risk—Orange | |
|--------------------------|-----------|
| Far Eastern | up 111.2% |
| European | up 79.0% |
| North American | up 30.6% |
| Medium Risk—Yellow | |
| UK Growth | up 69.6% |
| UK High Income | up 29.2% |
| Modest Risk—Green | |
| UK Balanced | up 38.0% |
| Minimal Risk—Indigo | |
| UK Gilt & Fixed Interest | up 5.6% |

Although each of these has performed well beyond its risk rating you should remember the price of units can go down as well as up.

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(All figures represent growth on an offer to bid price basis over the 12 months since launch to 7th October 1986).

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|---|---|
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| <input type="checkbox"/> European | <input type="checkbox"/> UK Balanced |
| <input type="checkbox"/> North American | <input type="checkbox"/> UK Gilt and Fixed Interest |
| <input type="checkbox"/> UK Growth | |

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Insurers count the stolen millions

Household theft claims cost the insurance companies £122.3 million in the first half of 1986, according to figures released this week by the Association of British Insurers. The total loss figure represents a 13 per cent increase over the same period in 1985.

The association's chief executive, Roger Barrell, says that the shock of burglary can be reduced if people fit sensible security hardware. Since 1980, the average cost of a domestic theft claim has doubled to more than £500.

Tougher VAT action

Failure to submit VAT returns and to make payments on time will now incur "default surcharges" of up to 30 per cent. With these harsh penalties and more to come next July for serious misdeeders, it is clearly important for businesses to know how to avoid the pitfalls.

With this in mind, chartered accountants Howard Tilly & Co have produced a newsletter with hints on how to cope with VAT. It is free and can be obtained by phoning the accountants on (01404) 5541.

Yet more units

■ Hello and welcome to yet more



unit trusts. Allied Dunbar this week took the wraps off its two latest vehicles: the snappily named Allied Dunbar Worldwide Asset Value Trust and the Allied Dunbar European Growth Trust.

The former of these two verbal juggernauts will be looking to invest in companies whose share price does not reflect the book worth of their assets. Examples of these companies might be Associated Newspapers in Britain, Santa Fe Southern Pacific in the United States and Japan's Toho.

The European fund will commit most of its money to West Germany, France, Switzerland, Italy and the Netherlands. Charges are standard at 5 per cent initially and 1 per cent

annually. Minimum investment is £1,000. Details: Allied Dunbar Unit Trusts plc, Allied Dunbar Centre, Swindon, Wiltshire SN1 1EL.

Societies to merge

■ Birmingham Midshires, one of the UK's biggest regional building societies, is planning to merge with the smaller and highly specialized Civil Service Building Society. The move, which has been under discussion for several months, is subject to agreement by the Civil Service members and should come about in April 1987.

Birmingham Midshires views the proposed merger as part of its plan to increase its strength in the South-East. The Civil Service sees the move

as an achievement of its ambition to associate with a society which shares its philosophy of traditional building society service but is also innovative and progressive.

Jungle lore

■ What exactly is a reverse psychology? If you know, then forget it. Water's punchy written book, *How to Make a Killing in the Jungle*. The book covers the system for picking a share, and the men behind the deals. The advice is sound enough, but the tone is perhaps less than ideal. Unless you know exactly what you are doing in a jungle, it is easier to be killed than to be a success. Details: Publishers Sidwells, Jackson, 1 Tavistock Square, Bloomsbury Way, London WC2R 2SQ.

Just for starters

■ Do not start your own business unless you are fully committed. It is the latest edition of *Start Your Own Business*, to be published Monday by the Consumers Association and Hodder & Stoughton. The book is available from bookshops or the subscription department, Consumers Association, Box 44, Herts Road, 1984, price £5.95, including postage and packing.

Exodus from the school fees broker

Leading school fees broker C. Howard, at present reported to be undergoing "restructuring" has experienced a number of difficulties in the past few years. A haemorrhage of staff during this year has culminated in the resignation of Gilbert McNeill Moss, 21 years with the company. He is due to take early retirement at the end of this year.

The first major problem experienced by Howard in recent years was the abrupt resignation of the managing director Joe Collins in 1983. Mr Collins and another senior colleague left to set up a rival business, Invest for School Fees. Howard sued Mr Collins following his departure, though the action was settled out of court.

Stephen Whitehead, head of Howard's Manchester office, took over as managing director after Mr Collins, and

commenced from his Cheshire home to London to fulfil this role until he, along with two colleagues, was dismissed without warning in January. The three took their case to an industrial tribunal, but a settlement was agreed on before the tribunal hearing.

Seven more resignations

Under the agreement the three received compensation. Mr McNeill Moss's resignation was reported at about the same time.

In the interim, Howard has experienced at least seven other resignations. The following sales consultants have departed: Brian Smith in April, Derek Riding in June, Christopher Wickstead in July, and Alan Godard and Glen Smith, who represented

the whole sales team at Howard's Welwyn office, in September.

In addition, the associate director Tony Murrell left at the end of September, and the company secretary Bridget Hogan also resigned. Mr Smith and Mr Riding left to join former managing director, Stephen Whitehead, who has himself started a school fees and investment advisory service in the past few weeks.

Howard's new managing director is Geoff Williams, who has been with the company for six weeks. Though he has not yet undertaken a recruiting campaign, he denies that the large staff losses will adversely affect the firm's "quality bank of blue-chip clients, numbering about 15,000", at what is one of the busiest times of the year for school fees brokers.

Mr Williams says that both

Mr McNeill Moss and Mrs Hogan were cases of expected early retirement, unconnected with the industrial findings in the Whitehead case. Of Mr Murrell, who is in his late twenties, Mr Williams said: "He wanted to broaden his experience. Why does one

'Not an abnormal amount of turnover'

move on at that age? I would be surprised if we lost another single person. Morale is superb.

Following the loss of the eight people who have left in the wake of Mr Whitehead, he said: "I wouldn't say we have had an abnormal amount of turnover since then."

Howard is now wholly owned by Lloyd's brokers Edward Lumley, which has bought the 22 per cent holding

belonging to Mr McNeill Moss.

Lumley's managing director John Jarvis said: "It was a very dramatic loss, but we have been very successful with Howard's staff, and the industrial tribunal settlement he said: 'It was a bit of a disaster in a respect. It seemed a disaster to me.'"

Howard was a strong supporting broker of UKFI, the insurance company which found itself in difficulty earlier this year, and this alone must have given rise to a considerable volume of inquiries from anxious clients.

Asked whether Howard's depleted staff can cope with servicing the considerable client list, Mr Jarvis denied there was any difficulty, as the administrative framework is still in place. "At present we are missing salesmen, not technicians," he said.

Rachel Day

FRAMLINGTON

FINANCIAL FUND

A New Unit Trust Investing for Growth in Financial Services Companies

FRAMMLINGTON Financial Fund will aim for maximum capital growth through investment in the most interesting sector of the moment: financial services companies throughout the world.

Financial services are going through a period of rapid growth and change, thus creating an important investment opportunity. In this country, the securities industry is changing dramatically, and new legislation is rapidly enlarging the scope of profitable operation for banks, insurance companies and fund management companies.

More generally, international de-regulation and the decline in world-wide inflation significantly improves the prospects for financial services operations everywhere. Frammlington Financial Fund will aim to make the most of these opportunities, whether in the UK, the U.S.A., Europe, or the Far East.

THE FRAMLINGTON APPROACH

Our special style is to concentrate on smaller companies, trying to identify those with really good growth prospects before the rest of the market recognises their promise, aiming for good long-term capital growth performance. The results speak for themselves.

OUR RECORD

Frammlington has an outstanding long-term growth record. The average annual compound rate of growth in the price of units (on an offer-to-bid basis) of each of our capital growth funds between launch and 1st October 1986 was as follows:

| Fund | Launched | Growth |
|----------------------|----------|-------------|
| Capital | Jan 69 | +15.1% p.a. |
| International Growth | Oct 76 | +25.3% p.a. |
| American & General | Apr 78 | +19.0% p.a. |
| American Turnaround | Oct 79 | +22.4% p.a. |
| Recovery | Apr 82 | +24.7% p.a. |
| Japan & General | Feb 84 | +26.1% p.a. |
| European | Feb 86 | +45.6% p.a. |

Every one of these Frammlington funds has outperformed the FT All-Share Index, the Dow-Jones Industrial Average and the Standard and Poors Composite Index.

OUR INSIGHT

Frammlington Group plc is itself a financial services company. This gives us invaluable insight into the sector. Apart from our unit trusts, off-shore funds

and life insurance interests, we are expanding into investment trusts, pension funds and private portfolio management through acquisitions which will bring our funds under management up from £420 million to over £1,300 million.

TWO KINDS OF UNITS

Units are available in both income form (with distributions twice a year) or accumulation form (in which net income is reinvested). Since the aim of the fund is out-and-out capital growth, investors are recommended to choose accumulation units. The estimated gross initial yield is one per cent.

HOW TO INVEST

Until 31 October units are available at the initial price of 50p each. To invest, complete the application form and send it to us with your cheque to arrive by 3pm on 31 October. Applications of £10,000 or over will receive a bonus of one per cent additional units at the expense of the managers.

From 3 November units will be available at the ruling offer price.

Investors should regard all unit trust investment as long term. They are reminded that the price of units and the income from them can go down as well as up.

TSE SHARES

You may use a TSE letter of acceptance as part of your remittance. Your shares will be sold free of commission at the prior ruling when the remittance letter is received and the proceeds sent to you by cheque, rounded up in your favour to the nearest whole unit. You should complete the application form leaving the amount to be invested blank and send it together with your signed TSE letter of acceptance and any cheque. Remember that the minimum investment in Frammlington Financial Fund is £500.

SAVINGS PLAN

There are facilities for investing by monthly direct debit, with the first allocation of units on 31 October. For an application form, telephone 01-628 5181, before 24 October.

GENERAL INFORMATION

Applications will be acknowledged; certificates will be sent by the managers, Lloyd's Bank plc, normally within 42 days. The minimum initial investment is £500. From 3rd November units may be bought and sold daily. Prices and yields will be published daily in leading newspapers. When units are sold back to the managers payment is normally made within 7 days of receipt of the remittance certificate.

Income net of basic rate tax is distributed to holders of income units on 15 June and 15 December each year. The first distribution will be on 15 June 1987.

The annual charge is 1% (+VAT) of the value of the fund. The initial charge, which is included in the offer price, is 7%.

Commission of 1% per cent (+VAT) is paid to qualified intermediaries. Commission is not paid on savings plans.

The trust is a structured unit trust constituted by Trust Deed. It makes use of a wider range of securities under the Trustee Investments Act, 1961. The Trustee is Lloyd's Bank plc.

The managers are Frammlington Unit Management Limited, 3 London Wall Buildings, London EC2M 3NQ. Telephone 01-628 5181. Telex 8812594. Registered in England No 895341. Member of the Unit Trust Association.

This offer is not open to residents of the Republic of Ireland.

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(Joint applicants should all sign and if necessary enclose details separately)

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Suitable case for cover

Jumping the hospital queue by paying to get a operation or treatment is appealing to more patients than ever.

Prolonged pain, immobility, deteriorating eyesight and time lost from work — particularly costly if you are self-employed — are often the consequences of a delayed operation.

In many areas of Britain there is a Nuffield, AMI or other private hospital where you can get speedy, first-class treatment — at a price.

If you are not a member of a health insurance scheme such as BUPA, you may think that charges at private hospitals are beyond your means. Certainly they are not cheap, but private health insurance could be a good investment to get that hernia or cataract attended to before it gets any worse.

You can also choose your own time for going into a hospital fairly near home.

The alternative is to wait painfully for your turn in the NHS queue, which is getting longer all the time.

Private hospitals also offer facilities for a regular health check and this too could prove a wise investment. An early diagnosis of illness could well save you a great deal of pain and even considerably prolong your life.

Nuffield Hospitals, a registered charity with more than 30 hospitals for acute cases, is the biggest British-owned private hospital in the UK. Every one of its hospitals has been tailored to local needs.

And now the Nuffield has introduced a scheme of fixed-cost surgery for those without private health insurance cover. Under this, you can go into a hospital of your choice and have an operation at a time most convenient to you, for a guaranteed set price.

This includes hospital charges and specialists' fees, and even the extra expense arising from unforeseen complications.

At different Nuffield hospitals there is a variation in the fixed cost according to area. Some typical examples of approximate costs are given in the table.

Many Nuffield hospitals have developed particular specialties such as the in-vitro fertilization unit at the McAlpine Clinic in Glasgow, which helps couples who have been unable to conceive. There is also a comprehensive range of out-patient facilities including same-day surgery.

Preventive screening and fall checks

physiotherapy, pathology, and X-ray.

Specialized out-patient services such as health screening are offered by an increasing number of Nuffield hospitals.

AMI, the UK subsidiary of American Medical International, with 13 hospitals, is the largest independent group in Britain. Open-heart surgery is performed at various hospitals. AMI's Park Hospital in Nottingham offers an in-vitro fertilization service and claims to have the highest overall pregnancy success rate of any other similar unit.

The Portland Hospital for Women and Children in central London is geared to meet special needs and has neonatal, intensive and baby-care units.

The AMI Harley Street Medical Advisory Service (HSMAS) provides a free 24-hour information service to deal with medical inquiries, large or small, from the UK and overseas.

HSMAS can also help get an appointment with a consultant, immediate hospital admission, and finding a dentist. It will arrange flights, visas, and hotel accommodation for family or friends.

Some examples of approximate charges at AMI hospitals outside London are given in the table.

Other facilities offered by AMI include preventive screening and comprehensive health checks. Particular emphasis is placed on ovarian and cervical cancer screening, mammography, and executive medical checks.

Grafton Manor, between Milton Keynes and Northampton, was recently opened by AMI to treat and rehabilitate victims with severe head injuries, estimated to increase by at least 1,500 cases a year in England and Wales.

Peter Farrier, general manager of AMI's psychiatric division, said the company had opened the centre because there were too few facilities in England and Wales.

He added: "At present, a number of cases, after a long spell in hospital, end up in psychiatric wards because their injuries have caused behavioural changes as well as functional disorders."

"Sometimes they are sent home if their parents or partners believe they can look after them, only to become disruptive and a heavy burden on even the most loving and caring families."

"Most patients are young men injured in motor-cycle or car accidents."

Rehabilitation at Grafton Manor costs just over £10 a day, inclusive of therapy, medicine and doctors' fees.

Residents may be covered by insurance schemes, but many will receive damages



Treatment can come sooner through an insurance scheme

NUFFIELD COMPARATIVE COSTS (£)

| | Slough | Chatterfield | Edgworth |
|-----------------------------|--------|--------------|----------|
| Cataract | 1,255 | 1,020 | 1,330 |
| Cataract with implant | 1,570 | 1,315 | 1,635 |
| Hernia (unilateral) | 1,024 | 875 | 785 |
| Hernia (bilateral) | 1,458 | 1,310 | 1,345 |
| Varicose veins (unilateral) | 737 | 720 | 755 |
| Hip replacement | 3,378 | 3,240 | 3,320 |

AMI HOSPITALS OUTSIDE LONDON

| | |
|---|-------|
| Cataract extraction (two-night stay) | 525 |
| Hernia (three-night stay) | 600 |
| Varicose veins, unilateral (two-night stay) | 460 |
| Hip replacement, excluding cost of implant/prosthesis (10-day stay) | 1,875 |

which will pay for their treatment. Occasionally those not covered by insurance or entitled to compensation will be paid for by the local health authority.

Should you decide to get treatment at any private hos-

pital or clinic, first consult your own doctor for advice and the necessary referral.

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Or the re-structuring of many major American companies that has turned their fortunes back from the brink of bankruptcy.

Then there's a whole new field of industries like biotechnology, which promises great things for the future.

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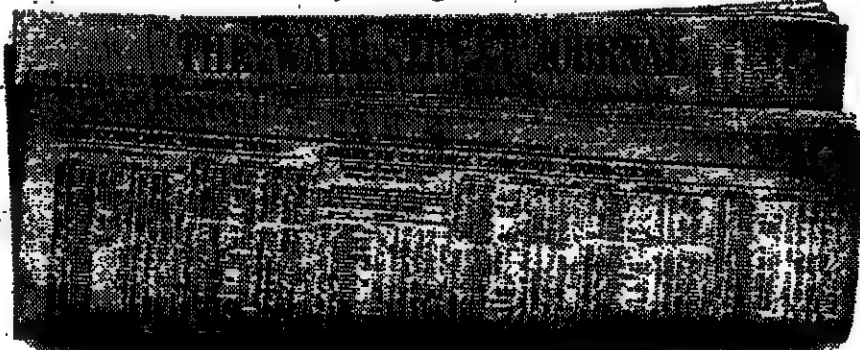
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To date the GT Group invests some \$750,000,000 in the USA. We also manage pension fund money for some of America's largest corporations as well as Mutual Funds for American citizens.

Our experience and expertise is already reflected in the performance of our established mainstream American Fund;

the GT US & General Fund, which outperformed all but one of its competitors in its sector over the last ten years to September 1st 1986 (source: Money Management).

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Units may be sold back on any business day at not less than the ruling bid price. Proceeds will normally be forwarded by cheque within seven working days from receipt by the managers of the renounced certificate. Prices and yields are quoted in the national press.

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If you would like details of how to invest by regular monthly saving please tick the box. ☐

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(In the case of joint applications all must sign and provide names and addresses on a separate sheet.)

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GT American Special Situations Fund

REGD IN ENGL AND NO 903827



Property's pull as the poll nears

Property agents Henley and Baker believe that because equity and money markets could be volatile in the run-up to the next election, "this should encourage investors to nurture and widen their property investment portfolios which, although slow-moving in performance terms, represent stable and secure income."

Yet Abbey Life's Ray Milton, manager of a huge £587 million life and pension property fund, is cautious. He suggests the underlying market psychology is not good after five years of poor performance. He predicts "it will take some time for the wounds to heal, although a lot will depend on the performance of other investment media."

Small investors sharing a pessimistic outlook of other investment media can buy into the property market via pooled funds linked to life and pensions policies. Unit trusts will also be allowed to offer property funds under the Government's recent proposals.

However, past performance is not on the side of the funds. Although property returns have kept pace with their traditional benchmark, inflation, recently published figures from performance measurers W.M. Computer

Industrial sector in the doldrums

Services show that in the year to March 1986 the market still lags behind equities.

Broken down into sectors, the property market's brightest spot is the retail sector, fuelled by the consumer boom. Retail produced a 13 per cent return — 5.1 per cent from income and 7.9 per cent from capital growth.

Despite the City boom, offices recorded a lowly 5.4 per cent return and capital values dropped by 1 per cent. The industrial sector remained in the doldrums with a total return of 2 per cent.

Given these figures, it is not surprising that many large investing institutions have been net sellers of property, thus dampening the market further. The life and pensions funds have suffered redemptions too.

Adrian Herring, of pensions consultants Martin Paterson Associates, explains this has hit the funds because property has been hard to sell and "some funds have had to sell the best, or the most liquid, properties to meet redemptions and so are left with poorer quality portfolios."

Most life and pensions funds invest in the full range of property. Some specialize, such as Providence Capital, which invests mainly in retail but also holds property shares and a high cash element.

Not all property funds have been dull. But those which have performed well invest in property shares rather than the real bricks and mortar.

Not that the stock market's property section has excelled recently. It is dominated by large companies such as Land Securities but opportunities for growth have come from smaller development companies such as Rosehaugh.

Corahill Insurance has a small property life fund of £700,000 which has been able to take advantage of growth situations. Ben John Hodgson, of Corahill, says that once the fund gets bigger it will invest direct in property.

Confidential Life's property fund invests in property shares, but Gary Dutton says: "One of our best performing shares has been the Parkfield Group, an engineering company." A further 15 per cent of the fund is placed in Japan, invested in utilities such as railways because "they own a lot of land."

The stars of the directly invested property funds are the residential funds. These are four run by Henderson, Schroder, Cannon and Target. Target demonstrated the appeal of such funds by pulling in more than £100 million during its recent launch. Such funds aim to buy properties in fashionable parts of London and then lease them out for a year at a time to overseas companies' executives.

Henderson has run its funds since December 1981. Yet despite all the publicity surrounding rocketing London house prices, the fund's performance has slowed during the past year. The managers expect the slowdown to continue as election nerves increase, yet returns should remain in double figures.

Henderson runs two offshore funds, one linked to life policies worth £90 million and a recently introduced pension fund valued at less than £2 million. Performance from the pension fund has been well above that of the life fund because it is so small that it is invested in a high-flying property owned by the life fund.

Schroder's fund, valued at £20 million, is invested in places such as Kensington, Chelsea and Wimbledon.

Rod Morrison

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The banks-of-all-trades campaign

NEW RULES

The Financial Services Bill — which aims to set up a comprehensive framework to protect investors — was in the House of Lords this week and is scheduled for a further day's hearing on Monday.

More than 500 amendments to the Bill were to be considered by the Lords. Many of them being only technical. However, there are a number of substantial issues outstanding.

This week it was the turn of the banks and building societies to publicize their grievances.

They have put forward an amendment to clause 119 of the Bill which would make it easier for them to sell to customers, through their branches, a mixture of their own and other companies' life insurance and unit trust products.

It has been put forward by Lord Ezra, the Alliance peer and former National Coal Board chairman, and has the endorsement of Lord Bruce-Gardyne, the former Conservative MP.

It is highly unlikely that the amendment will succeed. In any event it is only an attempt to counter, from a different angle, a fundamental threat to the banks' highly profitable insurance and unit trust business.

The threat comes from the Securities and Investments Board (SIB), the overall watchdog for investor protection, and its draft rules on life insurance and unit trusts. The banks and building societies cannot change the Bill, then they must be made for them. The SIB's rules have rightly fastened on the concept of "polarization" for people who



Weinberg: two points

sell life insurance and unit trusts.

What this means is that people selling these products either must be independent intermediaries who offer a choice of products from various companies and are the agent of the customer — or they must be company representatives who sell only the products of one company and are, in effect, the agents of that company.

The reason for the SIB insisting on such a distinction is eminently sensible. Basically, it is that customers should be able to know with certainty and without confusion exactly with whom they are dealing.

Are they dealing with someone who represents them and tries to choose the most appropriate product for them — and is independent of any one particular life insurance or unit trust company?

Alternatively, are they dealing with someone who represents a company — not them — has no duty to give them objective advice and is pushing that one company's products only?

The SIB is very attached to polarization as an essential aspect of investor protection. All too often in the past customers have been confused by the status of the people with whom they dealt, thinking they were getting independent advice when, in fact, they were being sold the party line.

The problem for the banks in particular is that the SIB rules will fundamentally affect the advisory role of their branch manager.

Up to now if, like many people, you turned to your branch manager for financial advice on investments such as life insurance or unit trusts, he could either put you into the bank's in-house products, or else recommend those of another company.

The SIB proposals will require the branch manager to act either as a company representative selling only the

house products only if he was certain and could prove that no other products on the market would be as suitable or advantageous for the customer.

In practical terms this would be very hard to prove, given the wide range of life insurance and unit trust products on the market. There would be a reduction in sales of in-house products, if the independent intermediary stance was adopted.

Moreover, even if a branch manager refers the customer to the bank's in-house intermediary company the same additional burden would apply. And he would not be able to confuse his position in the eyes of the customer by suggesting that his referral of the customer to the in-house intermediary means that he is independent too.

The banks are not happy about any of this. They con-



They argue that so long as he discloses his interest in any particular product, puts his customers' interests first and chooses the most suitable product available, then investor protection concerns are met.

Peter Leslie, of the Committee of London and Scottish Clearing Banks, says: "SIB's proposals appear to have been drawn up with commission-driven insurance and unit trust salesmen in mind. They are not appropriate for the branch operations of the major banks, in which insurance and unit trust activities are incidental to the main banking relationship."

"If implemented, the proposals would inevitably restrict the way in which the bank staff could respond to the needs of their customers who very often look to banks for the broadest possible service. This is especially so in provincial areas where customers rely very largely on their banks."

It is the broad service that banks provide which gives rise to one of SIB's very valid investor protection concerns. Because banks provide a mixture of general financial advice, which is objective, and

investment advice, which often leads to recommendation of in-house products, customers may be misled over the basis on which they are receiving investment advice.

Mark Weinberg, joint SIB deputy chairman, points out that on the one hand, "many people look to bank branches for what they take to be disinterested advice". On the other, they are major sellers through their branches of their own unit trust and life insurance products.

Moreover, the banks' objections to the SIB demand for polarization must be viewed in the context of the enormous revenues they derive at present from life insurance and unit trust sales.

The prospectus for the Trustee Savings Bank, for instance, shows that just under one quarter of the bank's profits before tax in its previous six months came from its life insurance and unit trust activities. In numerical terms £16.5 million of its £70 million profit came from this source. The TSB, needless to say, has been one of the loudest voices in the banks' campaign.

The SIB's rules would hit the banks' profits. This is because, if the bank manager were forced to wear a single company hat, selling only the bank's products, customers might well want a broader choice.

If they choose the intermediary route, banks are going to have a hard job proving their own products better and more suitable. It is no bad thing. The extra burden that the SIB requires should help to ensure that consumers do get genuinely independent, disinterested advice when they seek it.

Lawrence Lever

Are you leaving your heirs more tax than capital?

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TA 18 10

Face in the front line

As the party political conference season slips mercifully into the background for another 12 months, one burning question remains.

While Mrs Thatcher was promoting English roses and popularizing sprained ankles whose was the familiar face from the unit trust world sitting on the platform in Bournemouth and supporting every Kin-knock?

Step forward Bill Stuttford, OBE, chairman of one of Britain's major yuppie financial services groups, Framlington.

In the interests of fearless, investigative journalism, a telephone call to Mr Stuttford, whose number is known only to those with access to a telephone directory, seemed appropriate.

"What were you doing in Bournemouth hob-nobbing with the likes of N. Lawson, A. Baker and N. Tobitt? What are your political ambitions and why were you seated on Mrs T's left as she faced the TV cameras?"



Peter Gartland

The man whose unit trust group manages £420 million on behalf of 70,000 unit-holders was his usual forthcoming self. As chairman of the Eastern Area of the Conservative Party, he gets to sit on the platform along with the other 11 regional chairmen.

Mr Stuttford denies personal political ambition, saying that at 57 he is too old and his ambition is for the party as a whole. With that said, it should be remembered that his brother was an MP in the early 1970s. As for the seating plan, "no significance" is the unsurprising response from a man who clearly still wants to be on the platform this time next year.

Peter Gartland

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Offer Price fixed until November 7th 1986

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fund at a fixed price of 25p per unit — if you act before November 7th 1986.

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Established in 1934, Allied Dunbar Unit Trusts has a track record of over 50 years of successful investment management. As one of the founding companies of the unit trust movement (and today one of the very biggest in the field) we can demonstrate an impressive record of solid and consistent growth. We are part of the Allied Dunbar group which, with over £4 billion in funds, managed on behalf of over a million clients can now claim to be one of the most substantial financial services groups in the UK.

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The Worldwide Asset Value Trust is a unique opportunity for you to enjoy the prospect of maximum capital growth through managed investment in international markets. Suitable for the investor with a minimum of £1,000 to invest, the new fund is an ideal core holding for the international content of any portfolio.

Remember, the price of units and the income from them can go down as well as up.

Also, past performance is not necessarily a guide to the future. In view of this, your investment should be

regarded as a medium to long term holding.

To make your investment, complete and post the application below with your cheque. We must receive this before close of business on November 7th 1986 for your units to be allocated at the initial offer price of 25p each — after that date units will be allocated at the prevailing offer price. For your information, the gross estimated starting yield of the trust is 1% per annum.

IMPORTANT INFORMATION

- Unit prices and yields are quoted daily in the national press.
- The trust is authorised by the Secretary of State for Trade and is constituted by a Trust Deed. It is a "wider-range" investment under the Trustee Investments Act 1961.
- The Trust Deed permits the managers to include an initial service charge of 5% in the offer price, out of which remuneration is paid to qualified intermediaries; rates are available on request.
- Net income will be distributed yearly on 10th October, with the first distribution taking place on 10th October 1987. An annual fee of 1% (plus VAT) of the value of the fund is deducted half-yearly from gross income to meet management expenses (including the Trustees' fee). The Trust Deed allows for a maximum annual fee of 2% (plus VAT) but any change is subject to 3 months notice in writing to unit-holders.
- Applications will be acknowledged and certificates will be posted approximately 6 weeks later.
- On any business day you may sell all or part of your unit-holding back to the managers at not less than the bid price, calculated using a formula approved by the Department of Trade, ruling on receipt of your instructions. You will be sent a cheque in settlement normally within 7 business days of receipt, by the managers, of your renounced unit certificate.
- Managers: Allied Dunbar Unit Trusts plc (a member of the Unit Trust Association), Allied Dunbar Centre, Swindon, SN1 1EL. Telephone: (0793) 28291. Trustee: The Royal Bank of Scotland plc.
- This offer is not open to residents of the Republic of Ireland or to nationals, citizens, residents, or companies of the United States of America.

FIRST PUBLIC OFFER

WORLDWIDE ASSET VALUE TRUST

A fixed price offer open until November 7th 1986.

Please post with your cheque to: Allied Dunbar Unit Trust Dealers, FREEPOST, Swindon, SN1 1XZ.

If we wish to invest £_____ in the Allied Dunbar Worldwide Asset Value Trust at the fixed price of 25p per unit (minimum £1,000) and enclose a remittance payable to Allied Dunbar Unit Trusts plc.

If you wish to have net income re-invested please tick box: ☐

This offer will close on November 7th 1986. After the close of this offer, units will be available at the daily quoted price.

I/we confirm that I/we are aged over 18. Joint applicants must complete details and sign separately. BLOCK CAPITALS PLEASE

Mr/Ms/Miss (Surname) _____

First name(s) _____

Address _____

Postcode _____

Signature _____ Date _____

JOINT HOLDER

Mr/Ms/Miss (Surname) _____

First name(s) _____

Signature _____ Date _____

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Name/address of your existing financial advisor _____

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Will your insurers go bust?

INSURANCE

The United Kingdom Provident company shocked not only its policyholders, but also the rest of the life insurance industry, when it ran into financial problems this year in the aggressive with-profits policies market. **BILL HARRINGTON** looks at the market

United Kingdom Provident was no fly-by-night company, but a mutual office of venerable vintage by industry standards, with a £350 million premium inflow.

The question left hanging in the air by UKP's disappearance into the embrace of the Friends' Provident group is whether the event is a one-off or the tip of an iceberg. How sound are Britain's life insurers?

The life industry prays that it is a one-off. By UKP's own admission, its strategic policy of investing 10 per cent of assets in unquoted situations – a third in US oil and gas exploration – was unsuccessful. No other with-profits company is likely to be so exposed. In expanding fast, UKP says it was caught in the financial strains of new policies with their front-end costs. As a result UKP would, in its own words, have been "unable to maintain its past high level of bonuses". For a life company in a world of bonus hype, the consequence was a fate just less than death – UKP has become virtually a closed fund.

In ways UKP was a victim of the instability of the current with-profits market, which pushes companies to declaring high bonus rates often to

Instability of the market to blame

maintain their market position and secure new business. But it is a roller-coaster that is hard to get off – as the company that admits it is no longer in the first league by reducing its bonus projections will be shunned for new policies, as intermediaries take their clients' business elsewhere.

The life industry's persistent question as to what would happen to the company that first reduced bonus rates has been given a dramatically uncomfortable answer by events at UKP.

The UKP is more a victim of the instability of the with-profits market than of its own

ASHES TO ASHES, DUST TO DUST. IF THE REDUCED BONUS RATES DON'T GET YOU THE WITH-PROFITS MUST...



financial problems, as there was never any danger of it becoming insolvent. It has answered, too, a persistent question within the life industry as to what happens to the first major company that cuts its bonus rate. Now they know.

The other shock the UKP gave the industry was that apparently no one saw it coming. Some actuaries are now saying smugly that they saw UKP's problems coming as far back as 1978. Why did they not say something at the time? But with hindsight, it is argued, UKP's problems could be gleaned from an analysis of the detailed returns every insurance company makes annually to the Department of Trade and Industry.

For 1984 and 1985, the UKP, on the basis of figures as to how comfortably its assets exceeded the minimum set down as solvency margins, and the amount of disclosed reserves, showed up well below those of comparable companies. There were straws in the wind.

This year is likely to see intermediaries, as never before, scuttling to check the Department of Trade and Industry figures of the life companies they are recommending for with-profits policies. What will they find?

Predictably, it will be a mixed bag of results. A number of companies will be

use a system of arriving at their bonuses, which just keeps their figures above the margin, but have still a wealth of assets.

For mainly unit-linked companies, there is little need for big reserves as the investment risk is down to the policyholder. Then there will be those companies that look as if they are stretched.

But the figures on their own will not be enough. These will need to be fleshed out by further inquiries to the life companies and about them before conclusions are reached and the intermediary takes a decision on recommending

the policies of any of them. These inquiries should include the size of a company's reserves, details of its investments, the level of returns obtained and expected and the predicted new business growth.

The Department of Trade and Industry will analyse the figures too. Additionally, every four years on a revolving basis every company's figures are gone through with a fine toothcomb by the department's actuaries. If all is not found to be well, the department can monitor the company on a six-monthly basis, as well as ask for remedial action to be taken.

Some companies are currently on this basis, but the department would not be more specific, even as to whether they were life or general insurance companies.

Should a company slip through the net and go into liquidation, the Policyholders' Protection Board, established by law and operated by the insurance industry, is there to protect the guaranteed benefits.

In the case of with-profits policies these will include reversionary, but not terminal, bonuses. But there is a sting in the tail. All benefits are reduced by 10 per cent, just to rap policyholders on the knuckles for not being careful enough about choosing their insurer.

ACT BEFORE 31ST OCT M&G SECOND GENERAL 30TH BIRTHDAY

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£1,000 invested at its launch in June 1956 would now be worth £67,208 with all income reinvested, compared with £8,104 from a similar investment in a building society. To have maintained its purchasing power over the period, £1,000 would need to have grown to £8,748.

The British Stockmarket has been strong for a number of years, which is why many investors are now looking at overseas markets for new investment opportunities. But concentration in one particular area can produce very volatile investment results, and this year's high flier can often be next year's poor performer. You should be wary of short-term performance claims, such as the "Over 50% growth in just five months" quoted recently for a European unit trust.

M&G has two International Funds which solve the problem by spreading your investment effectively among the major stockmarkets of the world.

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The M&G International Growth Fund aims for all-out capital growth by investing in the major stockmarkets of the world.

If you remain optimistic about the British Stockmarket and want a balanced portfolio, look at M&G SECOND GENERAL, which aims for consistent growth of income and capital from a wide spread of shares mainly in British companies.

FURTHER INFORMATION On 15th October 1986 offered prices and estimated gross current yields were:

| | Income | Accumulation | Yield |
|----------------------|--------|--------------|-------|
| International Income | 822.5p | 1324.5p | 5.43% |
| International Growth | 750.6p | 1481.6p | 5.76% |

Prices and yields appear daily in the Financial Times. The difference between the offered price (at which you buy units) and the bid price (at which you sell) is normally 6p. An initial charge of 5p is included in the offered price and an annual charge of up to 1% of each fund's value – currently 14% (except International Income, which is 14% plus VAT) is deducted from gross income. Income for Accumulation units is reinvested to increase their value and for Income units it is distributed net of basic-rate tax on the following dates:

| | International Income | International Growth | SECOND |
|-------------------------------------|----------------------|----------------------|-------------|
| Distributions | 1 June | 20 Mar | 15 Feb |
| | 1 Dec | 20 Sep | 15 Aug |
| Next distribution for new investors | 1 June 1987 | 20 Mar 1987 | 15 Feb 1987 |

You can buy or sell units on any business day. Contracts for purchase or sale will be due for settlement two to three weeks later. Remuneration is payable to accredited agents; rates are available on request. The Trustee for International Growth is Barclays Bank Trust Co. Limited and for International Income and SECOND GENERAL is Lloyds Bank Plc. The Funds are all wide-range investments and are authorised by the Secretary of State for Trade and Industry.

M&G Securities Limited, Three Quays, Tower Hill, London EC3R 6BQ. Tel: 01-426 4585. Member of the Unit Trust Association.

| SECOND GENERAL PERFORMANCE TABLE | | | |
|---|------------|---------------------|------------------|
| Value of £1,000 invested on 5th June 1956 | | | |
| Date | M&G SECOND | F.T. Ordinary Index | Building Society |
| 5 June '56 | £1,000 | £1,000 | £1,000 |
| 31 Dec '66 | £2,996 | £2,472 | £1,699 |
| 31 Dec '76 | £7,812 | £3,859 | £3,437 |
| 5 June '86 | £67,208 | £21,042 | £8,104 |

NOTES: All figures include reinvested income net of basic-rate tax. The Building Society figures are based on an extra interest account offering 11% above the average yearly rate (source: Building Societies Association). M&G figures are realisation values.

To celebrate M&G SECOND's thirty-year performance record we are offering an extra 1% unit allocation if you invest £1,000 or more and 2% if you invest £10,000 or more in any of these three unit trusts before 31st October 1986.

The price of units and the income from them may go down as well as up. This means that unit trusts are a long-term investment and not suitable for money you may need at short notice.

| INTERNATIONAL PERFORMANCE TABLE. Value on 1st October 1986 of £1,000 invested at the launch of M&G's two International Funds. | | | |
|---|-------------|----------------|------------------|
| | Launch Date | M&G Unit Trust | Building Society |
| International Income | May '85 | £1,244 | £1,132 |
| International Growth | Dec '67 | £12,200 | £4,696 |

NOTES: All figures include reinvested income net of basic-rate tax. The Building Society figures are based on an extra interest account offering 11% above the average yearly rate (source: Building Societies Association). M&G figures are realisation values.

SPECIAL OFFER CLOSES 31st OCTOBER

All applications for £1,000 or more received by 31st October, 1986 will be given an extra 1% allocation of units, increasing to 2% for applications of £10,000 or more per Fund. To: M&G SECURITIES LIMITED, THREE QUAYS, TOWER HILL, LONDON EC3R 6BQ. Please invest the sum(s) indicated below in the Fund(s) of my choice (minimum investment in each Fund: £1,000) in ACCUMULATION/INCOME units (delete as applicable or Allocation units will be issued for International Growth and SECOND and Income units will be issued for International Income) at the price ruling on receipt of this application. DO NOT SEND ANY MONEY. A contract note will be sent to you stating exactly how much you owe and the settlement date. Your certificate will follow shortly.

| | International Income (min £1,000) | SECOND (min £1,000) | International Growth (min £1,000) |
|---|-----------------------------------|---------------------|-----------------------------------|
| £ | -00 | -00 | -00 |

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Spec INVESTMENT

FT 30 SHARE INDEX

FAMILY MONEY/17

Speculation on a satellite

INVESTMENT

A useful pointer to the state of mind of the financial world is the slant of the graphs on the City pages. If they move sharply upwards from left to right, most people are usually rather optimistic. If the lines trickle abjectly down to the bottom right hand corner of the graph there will be a chill in the air, unless the inflation or mortgage rate is depicted.

One graph which would certainly be peaking now is the level of indecision among investment advisers. Very few dare claim to know when the next swift capital gain will come. Uncertainty is vying for supremacy with outright pessimism.

But there is a solution of a sort that we can expect to see some time in the new year — index funds.

Index funds are a financial version of the Man on the

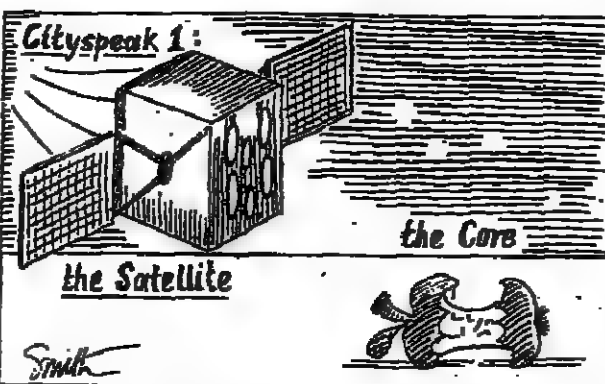
known as "stratified sampling", or again by another method which places less stress on sectors, known as "risk analysis".

But there is more than one way to skin a rabbit, and index fund managers tend to favour their own special way of tracking an index. Most do so fairly accurately.

At the end of the day the differences between the three main methods of managing an index fund are pretty irrelevant," says James Woodcock, of Barclays De Zoete Wedd Investment Managers.

A manager's decision on a stock will affect its performance by say 0.5 per cent against the index. In an actively managed fund a decision could make or lose 10 per cent.

What on earth, you may be thinking, are these funds supposed to do? Why invest in something which by definition



were set up because too many actively managed funds — those where the managers back their hunches and play for profit — failed to beat the market average.

One factor that tended to depress performance figures was the dealing costs incurred in constant buying and selling. A share would have to gain a few points before the fund manager broke even.

There are, therefore, two important features of the index fund. It must track the index closely, and the costs must be low, with minimal charges and few share transactions, as they cost money. Mr Woodcock says his fund, which deals in hundreds of millions of pounds, charges just 0.1 per cent initially. "But that pays my salary," he points out.

Index funds are low-risk investments in that they are guaranteed to do no worse than the average.

If you had a holding in a unit trust specializing in electrical companies' shares, you would have done very badly through the early summer of last year, while oil and energy shares have plummeted since last winter. In each case the indexed investment would have either softened the blow or turned in a small profit.

If you think shares are a good bet but you are not sure where the money is to be made, an index fund is ideal.

A further benefit is that the index fund virtually eliminates the possibility of choosing a poor fund manager. It requires high octane stupidity to be unable to follow a stock index.

Several management groups are looking closely at indexed funds. Barclays, Legal & General and River & Mercantile are all deliberating, although nothing is expected to emerge before next year.

If they choose to launch unit trusts they will encounter some serious problems. The front-end charge on the investment will have to be

Cash balance can be actively managed

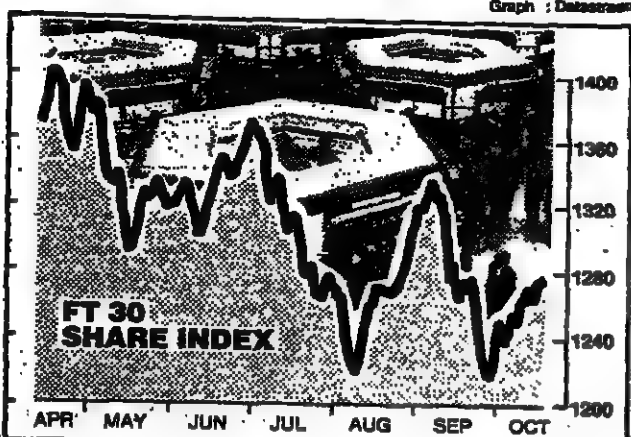
extra 40 per cent to get the cream.

Foreign & Colonial has an offshore fund which is available to the small investor with a minimum of \$5,000 to spare. The fund tracks the indices using futures contracts, and the balance of its money, 95 per cent, is invested in money market instruments.

F&C's investment director, Adam Parkin, claims this allows the cash balance of the fund to be actively managed, while providing full index cover.

And what of the investment managers? If index funds with their more or less set investment formulae really do level off the differences between the good and the bad, what do the managers do for their money?

Martin Baker



Clapham Omnibus. The index fund is deliberately managed to produce no better, and above all, no worse, results than the market indices.

Market indices measure how well a market is doing by taking the mean or aggregate value of the shares in an index.

In London the best known is probably the FT 30-Share Index, which (surprise!) is made up of 30 leading shares. If the member shares do well the index goes up, and, of course, it will fall if the shares lose value. So, for example, if British Telecom gains several pence it will push up the value of the market averages of which it is a member — such as the FT 30.

The index fund sets out to be Mr Average by purchasing some of each and every share in an index, known as "full replication", or purchasing shares from certain representative sectors of the index,

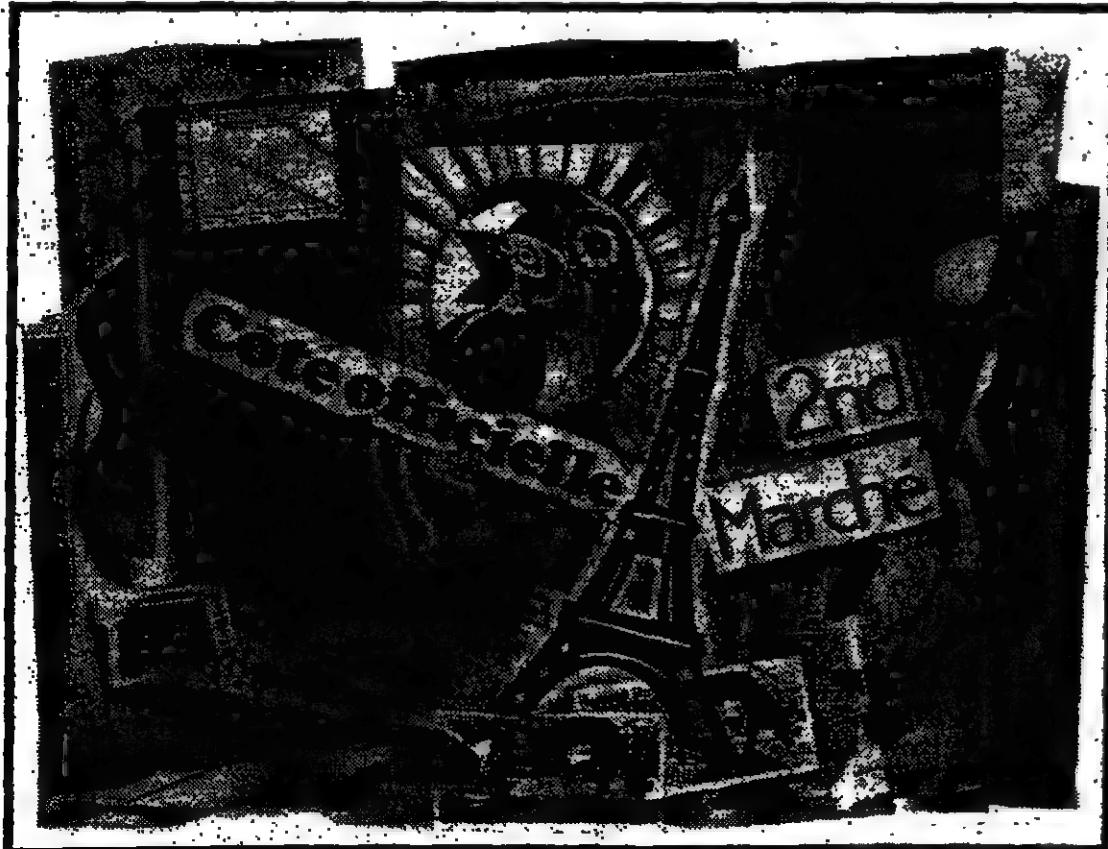
is not going to outperform the market average?

Vivian Gould, of River & Mercantile, believes there is a good reason for the funds, in that they "provide an opportunity to invest the core of your portfolio in an index vehicle at low cost. The rest of your money can be actively managed, and you know what your risk is."

Here we have half of a favourite piece of Cityspeak — the core and the satellite. The satellite is the volatile part of your money, with which you can take risks, while the core will always be solidly there, doggedly tracking the performance of the market.

The first index funds were started in the United States in the early 1970s and have proved immensely popular. Analysts say \$150 million to \$160 million are invested in index funds, which is roughly twice last year's figure. They

INVEST IN A FRENCH MASTERPIECE



THE NEW EBC AMRO FRENCH GROWTH TRUST

There's been a lot of good news recently about investment opportunities in France.

It's not hard to see why. The Paris Stock Exchange Index has risen by over 150% in the last twelve months, and there are very good reasons why it should go on rising.

Economic growth is anticipated at 3% a year, but, more importantly, corporate profits are expected to grow at 30% this year and next.

And the new government under Jacques Chirac is committed to wider share ownership through a programme of privatisation similar to the one in the UK that has had such a dramatic effect upon the London stock market.

So the time is right to invest in France.

THE BEST WAY TO INVEST

In the past it has been easy for the UK private investor to know how to invest exclusively in the French stock market.

But now there's the EBC Amro French Growth Trust.

EBC Amro has considerable experience on the French market through its European investments.

Even so, we did what any sensible investor would do, we talked to the French investment experts at the highly respected Banque Paribas de Gestion Financière (BPGF) in Paris.

INVESTMENT CONNOISSEURS

Then we went one better — we appointed BPGF investment managers to the Trust because they have such a remarkable record for managing investments.

For example, their own in-house fund, invested exclusively in French securities, has risen by over 260% since December 1979 (not weighted for stamp duty).

In all, they are responsible for over £600 million in over 20 in-house funds of various kinds; they are extremely active in the bond markets, in finance for French industry and in the privatisation programme.

We believe these in-depth expertise will enable the EBC Amro French Growth Trust to achieve above-average capital growth from a portfolio of French securities.

FIXED PRICE OFFER

Units will be offered at a 1% discount on a fixed price of 50p per unit until 31st November, 1986.

HOW TO INVEST

Complete the application form and send it, together with your cheque, made payable to EBC Amro Unit Trust Management Limited, c/o Manchester Unit Trust Administration Company Limited, FREEPOST, Manchester M2 8BL (no stamp required). If you don't have £500 immediately available, send for details of EBC Amro's Monthly Savings Plan by ticking the appropriate box in the coupon.

If you already have shares you would like to exchange for units in the Trust, please tick the appropriate box in the coupon below.

Remember that the price of units, and the income from them can go down as well as up.

GENERAL INFORMATION

Contract notes will usually be sent by return of post. You will receive a Unit Certificate within six weeks of receipt of your cheque.

An annual charge of 2% is included in the price of the units and an annual charge of 1.25% (+VAT) of the value of the fund is deducted from the fund's income. Prices are quoted daily in The Financial Times.

Estimated gross current yield is 1.5% at the launch price of 50p per unit. Managers' reports on the fund will be issued by 1st November each year. Income will also be distributed annually, net of basic rate tax, by 1st November. Trustees: Midland Bank Trust Company Limited. (Not open to residents in the Republic of Ireland.) A member of the Unit Trust Association. Reimbursement is payable to qualified intermediaries, and the rules are available on request.

EBC AMRO FRENCH GROWTH TRUST

APPLICATION FORM

To EBC Amro Unit Trust Management Limited, c/o Manchester Unit Trust Administration Company Limited, FREEPOST, Manchester M2 8BL

(No stamp required)

I wish to invest in units in the EBC Amro French Growth Trust at the price ruling on receipt of the application investment agreement (EBC). Fixed price offer has 1% discount applied until 31st November 1986. I am 18+ and over 18.

Please tick relevant box, if you require the following:

☐ Automatic reinvestment of distributions

☐ Further information about the EBC Amro French Growth Trust

☐ Details of the EBC Amro Monthly Savings Plan

☐ Details of the EBC Amro Share Exchange Scheme

Name (Mr/Ms/Miss) _____

Address _____

Postcode _____

Signature _____ Date _____

Unit application must state unit class name, and address separately to: T 18/118

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IT SEEMS THEY'RE TALKING OUR LANGUAGE.

There's one word that's common to most of Europe at the moment.

Profits. Because all the signs in Europe are adding up to excellent long-term growth prospects.

- Underdeveloped stock markets that are now attracting more and more investors, and are still cheap compared with other major markets.
- Improving economies with inflation and interest rates under control.
- Increasing productivity.
- And company profits on their way up — and now helped by lower oil prices.

There's every chance of excellent returns. But these stock markets are relatively small. (Even Germany, the largest economy in Europe, has a stock market only one third the size of Britain.) And small markets can be volatile — which is why our experts are now recommending a new investment mix.

THE VOICE OF EXPERIENCE.

Our new Fund will invest primarily in the major markets of Continental Europe in high-yielding equities (mainly of larger companies), bonds and convertibles.

A mix that's different from most other European funds. Because it still aims for high growth. But also includes the high-yielding equities and fixed interest content for income —

and for a degree of safety which we believe is sensible in these smaller markets.

IT'S DEFINITELY GOOD NEWS.

(BELLE...BIEN...WUNDERBAR...)

You can invest in the new European Income & Growth Fund from £250 or from £20 a month.

Just complete the coupon for more information.

Because we believe with this new European investment mix, the signs are all good. In anyone's language.

CALL OUR FREE MONEYLINE 0800 282 101.

EUROPEAN INCOME & GROWTH FUND

To: Save & Prosper, FREEPOST, Romford RM1 1BR.

Please send me details on the European Income & Growth Fund.

Name (Mr/Ms/Miss) _____

Address _____

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Worth your interest

Following this week's hike in interest rates PAULINE SKYPALA turns the spotlight on National Savings

Labour's threat to turn British Telecom into some form of National Savings product sounds dreary. Who wants a dull, risk-free, interest-paying investment in exchange for the excitement of the stock market?

Higher rate taxpayers might - if the return is anything like as good as the current 31st issue of National Savings certificates. They pay a guaranteed 7.85 per cent a year, tax-free if held for five years. To equal that return elsewhere, a 60 per cent taxpayer would have to earn 20 per cent before tax.

The 31st issue is not so attractive for basic rate taxpayers, but still worth having despite this week's interest rate rise.

But a question mark still hangs over the index-linked certificates. In a bid to stem the flow of cash from this investment, the Government has increased the bonus payable on certificates held for a year to 4 per cent.

A guaranteed real rate of return of five per cent tax-free is, once again, good news for higher rate taxpayers. But basic rate taxpayers should be able to earn more with a building society or bank account, and non-taxpayers should definitely steer clear.

Top rate taxpayers can also do quite well out of the National Savings Ordinary Account. A 60 per cent taxpayer and spouse could each invest £1,166 to benefit from the £70 a year tax-free interest. The Ordinary Account



could also be used as an alternative to a bank account for people on low pay or pensions who draw benefits from the Post Office. Anyone else should give it a miss.

National Savings is not all jam for higher rate taxpayers. You get a look in, too, if you are on a low rate of tax or do not pay tax at all.

In fact, if you are a non-taxpayer, the National Savings products are the first investment or savings options you should consider. All interest on National Savings investments is paid without any tax deducted at source, unlike building society and bank deposit accounts which have to pay interest after deducting a special composite

Competitive but less flexible

rate of tax. Non-taxpayers cannot reclaim the tax.

So National Savings products are tailor-made for non-taxpayers - being the only investments that now pay interest without tax deducted, unless you are prepared to move your money offshore, to the Channel Islands, for example.

The interest on some National Savings products is exempt from tax - National Savings certificates, for example. But with the Investment Account, Income Bond and Deposit Bond, the interest paid is taxable.

None of these is as flexible as a building society instant access account. You have to give a month's notice to withdraw money from the Investment Account, and three months' notice to take money out of either the income or deposit bonds, and if you withdraw money from either bond in the first year, you lose half the interest due.

The income bond pays interest monthly, while the deposit bonds add interest yearly to your account. You currently earn 11.25 per cent interest, which works out to 7.99 per cent for basic rate taxpayers. This is quite

competitive with building society and bank rates, but you lose out on flexibility. The Investment Account currently pays 10.75 per cent gross.

If you want an income from your investment, you have a choice between the ordinary income bonds (minimum £2,000) and the indexed one (minimum £5,000), which pays a monthly income increased every year in line with inflation. But the capital is not index-linked, and the first year's interest rate is only 8 per cent before tax.

On the minimum £5,000 investment on the indexed bond, that works out to an after-tax income of £24 a month for basic rate taxpayers.

You would be better off with a building society monthly income account. With an instant access account from one of the big societies you can earn 7.3 per cent after tax, equal to £30 a month if the society pays a monthly income.

Non-taxpayers would get £33 a month from the indexed bond, and would be better off in the ordinary income bond, which at the current rate would pay out £47 a month on a £5,000 investment.

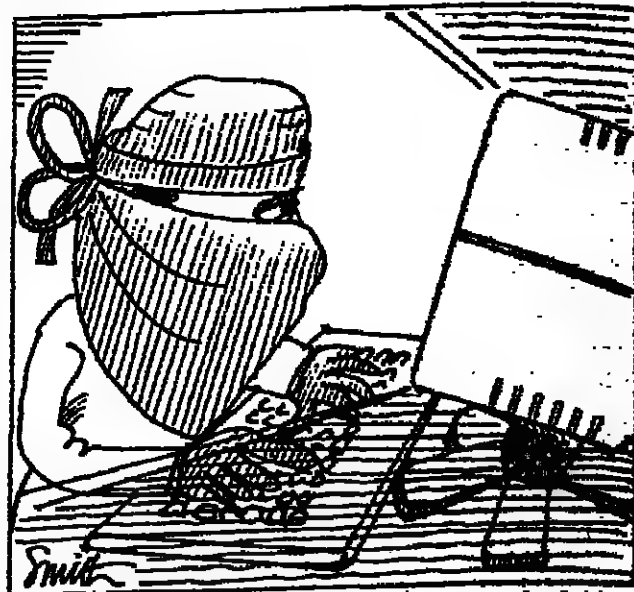
If you just want to save money regularly, National Savings offers a very good buy in the shape of the yearly plan, which has yet to take off in a big way.

Every year's payments to the plan buy you a certificate which goes on to earn interest for another four years. The rate for every certificate is fixed and guaranteed from the time you begin your payments. The plan currently pays 8.19 per cent a year tax-free over a five-year period.

It is certainly a lot better than leaving on to any old index-linked 'Save-As-You-Earn' plans, although you should wait until the fifth or seventh anniversary before cashing in.

On the other hand, do not be too hasty in cashing in National Savings certificates that have now matured. The general extension rate, which is the rate of interest paid on matured certificates, is currently 8.01 per cent tax-free, which compares well with building society rates.

Last on the list, but probably best known of the National Savings products, are Premium Bonds. In any one month there is an 11,000-odd chance of a Premium Bond unit winning a prize, so do not hold your breath. A pure gamble, this one.



Insurers scorn screen fears

What are the health hazards of new technology? Are any precautions necessary?

The hazards suggested in an official booklet are radiation emissions, cataracts, photo-sensitive epilepsy, facial dermatitis and bodily fatigue. They sound scary but only the last appears, at present, to give cause for concern.

VDUs marketed and manufactured in the UK have a lower radiation emission rate - when it can be detected at all - than nationally and internationally agreed limits. There is no clinical evidence to suggest cataract formation, but complaints of eye strain have been lessened by improved lighting and avoidance of glare.

Facial dermatitis is only coincidental with VDUs. It appears to be confined to operators sensitive to a dry atmosphere in the workplace and static electricity near the VDU. Higher humidity and anti-static carpets should help.

Bodily fatigue appears simpler, but is perhaps the real danger because it cannot be readily identified. Muscle tiredness can be relieved by good seats and sitting position. Posture needs to be changed often and a build-up of fatigue avoided by a change of activity. Small businesses should try to rotate or change workers' activities at least for short periods and allow for odd rest breaks rather than a fixed schedule.

Pregnant women worry about the possibility of a miscarriage when working for long spells in front of a screen. Though the National Radiological Protection Board does not think VDU radiation emissions are harmful to mother or fetus, some

women still worry about the possibility, particularly if they have already had a miscarriage.

The most frequent health hazard appears to be repetition strain injury. This is the collective name for a group of serious progressive illnesses affecting persons making rapid finger and hand movements for long periods.

Associated with chicken pluckers

It used to be associated with occupations such as chicken pluckers, electronic assembly workers and packers.

Its incidence has increased dramatically since microprocessor technology and is now commonly found in keyboard operators. In 1980 repetition strain injury caused 2,957 claims for industrial injury benefit in the UK.

New technology health hazards may be overstated, but some exist. Employees are, in general, protected by Health and Safety Acts. Self-employed people, small businesses and operators at home using micros should be aware of possible hazards and insure against any loss of income arising from them. Life cover should be a minimum.

Meanwhile, these possible health hazards have made little impact on the insurance industry. Eagle Star, which claims to be the largest UK employers' liability insurer, and other offices such as Allied Dunbar, Sun Alliance and the Prudential, do not make special provision for the high-tech worker, and have no plans to do so.

Jennie Hawthorne

Tuesday 28th October is your last chance for a big bonus!
Don't miss out!

Now, Legal & General introduce their exciting new Japanese Trust.

THERE'S still time to benefit from Legal & General's 'Early Investor' Bonuses - but only if you act now!

The Japanese Trust is the latest in our range of Unit Trusts - and will be managed by the same team responsible for the tremendous success of our Far Eastern Trust.

One of the most remarkable features of post-war years has been the rapid expansion of the Japanese economy. With a Gross National Product totalling around \$1,282 billion in 1985, Japan has become the second largest economy in the world after the US.

The capitalisation of the Japanese equity market now represents more than one quarter of the world's total share value.

In addition, it is widely expected that steps will be taken to stimulate the domestic economy. This may bring about an improvement in the country's infrastructure and help reduce the nation's reliance on exports.

Opportunities Ahead

All this could mean exciting times ahead for those experienced in the workings of the Japanese markets.

Legal & General's Fund Managers have the experience! And they've proved it handsomely already with their astonishingly successful

Apply now for your **Early Investor** extra unit allocation

See how you benefit.

| Date of payment | AMOUNT INVESTED | | |
|-----------------------|-----------------|---------------|----------|
| | £1,000-£4,999 | £5,000-£9,999 | £10,000+ |
| Between 15-28 October | 1% | 1.5% | 2% |

PLUS An extra 1% will be given on the units of money invested over £25,000. This allocation is in addition to those outlined above. Early investors will also benefit from a fixed price of only 50p per unit until 28th October 1986.

Proven performance from our management team!

Our Far Eastern Trust was launched in September 1985. In its first 285 days, it achieved a staggering growth figure of 100%.

Now, the same Fund Management team have just launched the new Japanese Trust. It's an exciting prospect.

NEW UNIT TRUST INVEST TODAY!

Objective of the Trust

The aim of the Trust is to maximise capital growth from securities quoted on the Japanese stock market. It is anticipated that the initial portfolio distribution will favour domestic-related stocks.

Up to 25% of the Fund may be invested in the Tokyo Over the Counter Market.

The estimated gross starting yield is expected to be less than 1%. The minimum investment in the Trust is £1,000.

You should remember that the price of units and the income from them can go down as well as up.

But when you look at the track record of our Fund Managers to date, you can certainly view the future with confidence.

INVEST NOW AND BENEFIT FROM YOUR 'EARLY INVESTOR' BONUS ALLOCATION.

Complete the application form straight away and return it with a cheque for your investment - minimum £1,000 - to Legal & General to receive your 'Early Investor' Bonus Allocation and the fixed price of 50p per unit.

PRIORITY APPLICATION FORM for Legal & General's new Japanese Trust

To: Legal & General (Unit Trust Managers) Limited, Dept. DM, FREEPOST, Croydon, Surrey CR9 9EB.

I/We wish to invest in Legal & General's Japanese Trust. (Minimum £1,000) £

A cheque made payable to Legal & General (Unit Trust Managers) Limited is enclosed.

☐ I/We claim my/our Early Investor Bonus. ☐ I/We would like income to be reinvested in further units automatically. ☐ I/We would like further details about Legal & General's Share Exchange Scheme.

Please write in BLOCK CAPITALS.

Surname (Mr/Mrs/Miss)

First Name(s) in full

Address

Postcode

Signature(s)

Date

(In the case of a joint investment, all must sign.)

Name of Usual Financial Adviser (if any)



Legal & General The confidence of proven success. Unit Trust Managers

*Source: Money Management Newsletters 1986. Performance based on offer to bid prices over the period 27th September 1985 to 1st July 1986.

PEGASUS GLOBAL TRUST

What the wise stag will be doing with his dough.

Sadly the number of new issues that let you make a killing on the market overnight are few and far between.

So what do wise investors do when they've realised their profit? What they don't do is risk a sizeable proportion of their savings in a single stock.

All stocks can go down in value as well as up. That's why thousands of investors already spread their investments by buying units in the Pegasus Global Trust. This means that they enjoy active management of their assets throughout the world's stockmarkets in line with changing investment conditions.

It must be remembered, the price of units and the income from them may go down as well as up.

But thanks to the proven expertise of Scottish Widows' professional investment managers, Pegasus Global Trust provides an excellent opportunity for long term capital growth through its aim of investing in the best performing companies in the world including those of the UK when and where they offer the best value.

GENERAL INFORMATION

The Fund pursues a policy of actively managing assets worldwide in line with changing investment conditions. As fluctuating exchange rates may enhance or reduce sterling values of overseas investments, the Manager may from time to time consider measures of hedging any undue currency risk. The Trust Deed also provides for investment in Traded Options, the London United Securities Market, the French Second Marché and the Tokyo OTT Markets.

Applications will be acknowledged on receipt of your instructions and unit certificates will normally be despatched within 6 weeks of the purchase date. Units may be sold back at any time at the bid price minus on receipt of your instructions, and payment will normally be made within 7 days of receipt of your request (certificates). Prices of units and yields are quoted daily in the Financial Times, and displayed on Prentice page 24814439.

An initial charge of 5% is included in the offer price out of which the Manager will pay commission to qualified agents (names are available on request). The Trust Deed permits a maximum annual charge of 1% (plus VAT) of the value of the Fund but the charge is currently set at only 0.75% (plus VAT) per annum and any charge is subject to 3 months notice.

The accounting date is 31 August and any net income is payable to income beneficiaries on 15 April and 15 October each year and carries a tax credit at the basic rate of tax. For accumulation beneficiaries, net income is automatically reinvested back into the Fund.

The offer price of accumulation units on 15 October 1986 was 332.7p per unit, and the estimated annual gross yield 1.55%.

Manager: Scottish Widows Fund Management Limited. Trustees: The Royal Bank of Scotland plc.

The offer is not available to residents of the Republic of Ireland.

Lower energy costs are reinforcing the prospect of economic growth for industrialised and developing nations alike and we believe substantial real growth will be achieved by many companies.

While this is partly anticipated in Stock Market prices, most markets have scope to move higher as better profits emerge.

From its launch on February 14th this year till October 15th, the value of accumulation units in Pegasus Global Trust has grown by 24.7% on an offer-to-bid basis. That's 32.7% on the offer-to-offer basis which many unit trusts use.

There are two ways to invest in our Trust. Income units provide a half-yearly income paid directly to you, while with accumulation units your income is automatically reinvested to increase the value of your units.

To make the most of rising investment opportunities means getting in as early as possible. So don't delay send us this coupon today.

To Scottish Widows Fund Management Limited, FREEPOST, 15 Dalkeith Road, Edinburgh EH16 0NS. (Dealing Department telephone: 031-668 3724)

I/We wish to purchase Accumulation ☐ or Income ☐ Units (please tick box) in Pegasus Global Trust to the value of £

(Minimum initial investment £500), at the offer price ruling on receipt of this application.

I/We enclose a cheque made payable to Scottish Widows Fund Management Limited. In the case of joint applicants all must sign and provide full names and addresses on a separate sheet. All applicants must be at least aged 18.

BLOCK LETTERS PLEASE. (Please state Mr/Mrs/Ms/Miss titles)

Surname

First names (in full)

Address

Signature(s)

Date

Name and address of financial adviser (if any)

SCOTTISH WIDOWS
FUND MANAGEMENT LIMITED

FAMILY MONEY/9

Beating the Lawson tax axe

LIFE COVER

When Nigel Lawson abolished tax relief for new life assurance policy premiums two years ago, he ended a tradition that had lasted continuously for 131 years.

The relief was introduced originally in 1799, subsequently phased out, then reintroduced by Gladstone in 1853, chiefly as an incentive to save for old age. The relief was then continuous until Mr Lawson's action in 1984.

Though always popular with insurance companies — and their customers — it was already drawing political criticism by the time of the First World War. This led to it being cut to a level of half the basic tax rate, and there it remained until its eventual demise.

However, there is one class of life assurance policy which does still qualify for tax relief. What is more, the relief in this case is given in full, at the policyholder's highest rate. These policies are known by the general name of "Section 226A contracts", as they are governed by that particular section of the Income and Corporation Taxes Act, 1970.

Fittingly, in view of Mr Gladstone's original intentions, they are essentially adjuncts to personal pension plans and carry the same rules on eligibility. That is, you must be self-employed or in non-pensionable employment. If you have earnings in either of these categories, you may contribute up to 5 per cent a year and get full tax relief.

The 5 per cent, incidentally, counts towards the total contribution you may make to a personal pension plan. The limit for that is 17.5 per cent of relevant earnings, so if you put the full 5 per cent into a S226A contract, you may put only 12.5 per cent into your pension.

The main purpose of S226A policies is to provide benefits in the event of death before retirement. An occupational pension scheme may include provision for a lump sum to

be paid on an employee's death, and a widow's or widower's pension.

In the same way, S226A allows you to take out a term assurance policy, which provides a cash sum on death within the specified term, or a family income benefits plan, which provides an annuity.

Term assurance is usually for a fixed amount of cover, but it is also possible for the sum assured (sum payable on death) to decrease or increase over the term to fit in with changing circumstances. Similarly, a few companies offer increasing family income benefits plans, under which the annual payments rise by a set amount every year, to keep pace with inflation.

Either type of policy may be taken out for any number of years, provided the cover ceases by the age of 75. Usually, the benefits will be payable for the same period, but this does not have to be the case.

Last autumn Equitable Life brought out a plan that will provide an income to a spouse or dependant from the time of the policyholder's death right up to the beneficiary's 10th birthday. Moreover, should he

The benefits can be obtained immediately

or she die before notching up a century, the balance of the payments due would go to his or her estate.

A contract may be written for the benefit of any named person, but if it is not a spouse, the proceeds could fall subject to the new inheritance tax. Fortunately, since 1980 it has been possible to write these plans in trust. This avoids a tax liability and has the added advantage that the benefits can be obtained immediately, without the usual delay of waiting for a grant of probate.

Most insurance companies can advise on setting up a trust, and help with the paperwork.

A pension policy itself cannot be assigned to anyone else. This means that if you take out a mortgage against it — an increasingly popular proce-



Mr Gladstone reintroduced tax relief to encourage people to save, Mr Lawson abolished it

— you will have to provide some form of collateral. A term assurance policy can be very useful in this respect, since if the policyholder should die before retirement, it will provide instant cash to repay the loan — a feature not shared by other acceptable assets, such as stocks and shares.

Although an S226A policy is an accessory to a pension plan, you do not have to buy one from the company that is providing your pension. Most life offices now write "stand-alone" contracts, which are sold independently. As there is no inherent advantage in having both policies issued by the same office, it is definitely worthwhile shopping around for the cheapest premium rates.

You should ensure, however, that the policy is convertible in case you change your employment status and become ineligible for S226A. Most companies will allow you to convert to an ordinary (taxable) policy of the same type. Further medical evidence of your state of health should not be needed, provided that you were originally accepted on standard terms, and that the sum assured under the new policy is the

same as before or smaller.

The premium rate, however, will be set at the current level for your age at the time of conversion.

Another item to look out for is the policy charge. Where an S226A policy is issued in conjunction with a pension

Some companies will offer a subsidy

plan, this may be on special terms, or even waived altogether. For a "stand-alone" contract, the charge can be quite hefty.

In fact, if it were not for the tax relief, S226A contracts would generally be more expensive than their taxable counterparts. The costs to a life company of putting term assurance on its books are high, but some companies will subsidize ordinary policies as a sort of loss-leader to attract new custom.

Liz Walkington

Is your will made out to your children or the taxman?

It's taken you a lifetime to build an estate you feel proud to leave your children. Unfortunately, inheritance tax can rob them of as much as 50% of your hard-earned assets in one fell swoop.

However, London Life's Capital Safeguard Scheme can save you and your dependants the distress of breaking up your estate by paying the tax for you.

We'll calculate the value of your estate and how much inheritance tax will have to be paid on it.

Then we'll set up a special trust for you, taking into account your personal require-

ments, that will meet the taxman's demands.

As a part of our financial planning service we will even look at your overall situation, and show you how to divert money into the trust without drastically affecting your current finances.

And because London Life pays no commission, you can rest assured that every available penny is being invested on your behalf.

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How the fund billions will fare after Big Bang

Thanks to heavy inflows and favourable returns, occupational pension funds have seen explosive growth in recent years. **STEPHEN SPURDON** assesses how they will handle members' money in the post-Big Bang era

Stockbrokers Phillips & Drew estimate that by the end of 1985 the value of total assets held by UK pension funds had risen above £150 billion. This compares with a 1971 value of £10.6 billion - a fourteen-fold increase in 14 years.

Part of the explanation lies in the continued high amounts flowing in, running at between £6 billion and £7 billion a year, though it now appears to be slackening slightly. The bigger element, however, is capital appreciation, following a phenomenal run of good years in the securities markets. Last year, according to P&D, the average pension fund achieved an annual rate of return of just over 15 per cent, comfortably beating inflation by more than 10 points and still ahead of wage inflation which stood at 8.9 per cent for 1985. It is this relative, not absolute, return that is crucial for pension schemes, which normally have liabilities linked to final salaries.

The inflationary nightmare of the mid-1970s is now rapidly receding from memory and being diluted in its statistical impact. The single most disastrous year was 1974, when the average rate of return was minus 31 per cent, while wages rose by 29 per cent.

The obviously crucial decision that trustees and their fund managers have to make is in asset allocation. Last year, for instance, the cash flow allocation was thus: property 7 per cent, UK equities 37 per cent, fixed interest 21 per cent, index-linked 9 per cent, and overseas equities 28 per cent, while there was a net disinvestment of minus 2 per cent in cash and other investments, according to the Wood Mackenzie Company Pension Fund Service.

In recent years trustees have placed a much higher emphasis on high returns and active management of the funds in their charge, injecting a sharp note of competition into a market that hitherto had been dominated by the insurance company managed funds.

According to the most recent survey carried out by the National Association of Pension Funds, 18 per cent of occupational schemes had their own in-house fund manager, while 64 per cent were managed externally. Eight per cent had a mixture of the two, and 10 per cent used other means such as an insurance contract.

During this year so far, however, it appears that a number of those funds that are managed internally have been undertaking reviews of their current investment policy. This has led to two of the largest pension funds, British Rail (more than £5 billion) and Unilever (£1.6 billion), deciding to seek external management.

Coopers & Lybrand, advisers to the BR fund, had pointed out that there was an increasing need for technical support in fund management, as well as a number of the consequences of the forthcoming City revolution, the Big Bang. No matter how large may be the assets under their management, internal managers may find themselves at a disadvantage compared with

the big boys such as Hill Samuel and Warburg when deregulation comes into force.

Already, the major beneficiaries of the growth in pension fund portfolios in recent years have been the big City of London merchant banks, with names such as Warburg, Schroder and Morgan Grenfell leading the field. Over the years they have needed to gain at the expense of the insurance companies, whose clients have withdrawn from their insured contracts as the schemes have become bigger and switched to other types of investment manager.

Insurance companies have managed to retain a good slice of this money in their managed funds, however - around £9 billion - and the major life offices are now offering management services for segregated funds, putting them into direct competition with the merchant banks and others.

However, the big shock to emerge from the "beauty parade" of fund managers competing for the BR funds was a small and rather unassuming contestant.

The final choice of the BR



Hambros: the 1985 leader with 20.2 per cent growth

pension fund trustees included three merchant banks (Mercury Warburg, which was one of the existing external managers, Robert Fleming and Morgan Grenfell), one insurance company (Prudential), one stockbroker (Phillips & Drew), and one independent (Martin Currie). It was the choice of Martin Currie that created a stir.

The conjecture is that Martin Currie was brought in so that its performance could be used to measure how well big investment houses operate in the post-Big Bang City. Less charitable observers have said of the conglomerates that, despite much talk of Chinese walls, they may find it difficult to keep their various dealing and market making arms separate from their fund management operations.

What the BR fund trustees have done is to ensure that they have not only a diversification of investments, but also a range of different fund management styles working on their assets.

This may well lead to an upsurge of interest in the small, independent, boutique-type of fund management operation, which indeed did happen in the United States after its markets underwent deregulation in 1975. But note should also be taken of the way that management houses such as Henderson, Ivory and Sime and GT Management, better known for their activities in investment trusts and

Diamonds with a deceiving sparkle

Diamond prices are on the upward move again. But investors should think twice before jumping back into the market.

The 7 per cent price rise was announced in Johannesburg on Tuesday by the all-powerful Central Selling Organisation (CSO) which boasts control over the marketing of 85 per cent of the world's rough diamonds and therefore has an effective monopoly on the price at which dealers buy diamonds.

What sent the diamond dealers running for their pocket calculators was the thought that this was the second CSO price rise this year, but only the third since 1983.

Could the halcyon times of the late 1970s be about to make a comeback? Diamond investors with deep pockets and long memories will recall that in those days double-figure price rises were frequent. There was even a price rise of 30 per cent in August 1978. Such spectacular increases caused an explosion of interest in diamonds, with investors keen to learn the jargon of the so-called four Cs - carat, cut, colour and clarity.

But all that was in the days of high inflation and low confidence in western governments' ability to deal with it. After the dragon of inflation was slain, and equity markets started to boom, the fashion went out of non-income producing assets. So down tumbled the price of investment diamonds, along with sapphires and gold coins, leaving many investors with badly burned fingers.

Suddenly the prized D flawless diamond was regarded as a deeply flawed investment.

But even though investment diamonds have spent the first half of the 1980s in the doldrums, the prospect of a return to profits should not be read into price rises which are essentially of a catching-up nature. Even if equity markets have run their course for the time being, the low inflation, high interest rate conditions are just not conducive to a renewed surge in the value of investment diamonds.



If you are tempted to think otherwise, you should heed the views of De Beers' chairman, Julian Ogilvie Thompson, who maintains that, far from encouraging the market for investment diamonds, De Beers did all it could to discourage it, believing that diamonds are best sold as an enduring store of beauty in the form of jewellery. What happened in the late 1970s, according to Mr Ogilvie Thompson, was a classic example of speculation feeding on itself, followed by over-reaction at the top of the cycle.

Speaking at the World Diamond Congress in Tel Aviv recently, Mr Ogilvie Thompson said: "It is not necessary to indulge in a post mortem as to who, if anyone, was to blame. It is more important that we should all learn from the experience."

Put another way, diamonds may be for lovers but they are certainly not for investors.

Peter Gartland

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HORIZONS

A guide to
independent education

The young music masters

Specialist schools that concentrate on making pupils highly proficient in one subject, such as science or music, are a feature of education in the Soviet Union and the US.

But they tend to be frowned on in Britain on the grounds that they cream off the best pupils and deprive local schools of the full range of talent.

This week Kenneth Baker, Secretary of State for Education, confirmed the Government's plans to set up a number of specialist schools to concentrate on teaching technology to bright inner-city children.

The thinking is unashamedly elitist in its educational aims, concerned with training the young in a subject which has traditionally been downgraded, even neglected, in English and Welsh education.

There are undoubtedly some good reasons for bringing talented young people together for specialized teaching and they are particularly apparent in music education.

Government ministers need look no further than Chetham's School in Manchester for an example of how this works. Chetham's (pronounced Cheetham's by Mancunians) has 268 pupils between the ages of eight and 18 and specializes in educating musicians.

It is independent and mainly a boarding school, but most children — more than 90 per cent — are state-aided and come to Chetham's from the maintained sector.

With fees at an exorbitant £7,356 a year, it might seem out of reach of the ordinary parent. But it is not because of the

Candidates assessed on musical improvisation and their technique

Government's aided pupil scheme which covers the performing arts. Introduced by the current Conservative Government when Mark Carlisle was Secretary of State for Education and Science, the scheme has made it possible for musical young people to go to the Yehudi Menuhin School, the Purcell and Wells Cathedral School at the state's expense.

But the largest number of state-aided places are at Chetham's — 55 a year.

The aided pupil scheme is generous and operates on a sliding scale so that parents begin to contribute at a gross income of £7,000 a year. (Thirty-six families with children at Chetham's pay nothing.)

Even those on an income of £30,000 a year get generous help and pay less than half the fees.

John Vallins, the school's headmaster, said Chetham's takes children from all social classes as a result, although most are middle class. "You tend to get northern, working class brass players and southern, middle class violinists," he explains.

Lucy Hodges looks
at a school for
talented children
where parents
need not worry
about fees

Entry standards have risen dramatically since Chetham's became a specialist music school in 1968 and children are now accepted on the basis of a tough musical audition.

The school receives 1,000 inquiries for its 55 places and candidates are assessed on musical improvisation, creative work and their technique with an instrument. They are also given ear and sight-reading tests. Those who get through the first round are screened a second time.

Once at the school pupils receive an intensive musical education on top of

levels and they are all barred from taking music O-level on the ground that it is a waste of time.

This year upper sixth pupils have done particularly well. Fifteen out of 50 have gained entry to Oxford and Cambridge, of whom nine want to read music, three to read maths and three to read English. "That is extraordinarily good in a school of this size," said Mr Vallins. "And it just happened that way. We did not push them."

"The sort of children who have rare musical talent and drive tend to be very intellectually able and not as narrow in their focus as many people expect them to be. They don't just want to play the fiddle all the time, as people expect."

Even so, the majority — about two-thirds — go to schools of music in the hope of becoming performers and the remaining one-third go to university.

The two pupils who showed me around, Ruth Butler, 18, and Simon Turner, 17, were planning to go to schools of music.

Simon, who had been offered a place at Cambridge and a scholarship at the Royal Academy of Music, was turning down both these places to go to the Royal Northern College of Music. Ruth had won a scholarship to Trinity College of Music in London.

Both were doing general studies and music at A-level. Ruth was also studying English A-level and Simon was taking physics. Both commented on the friendly atmosphere of the school and hoped it was different from most independent schools.

In fact, the sixth-formers argue about whether or not Chetham's is an independent school.

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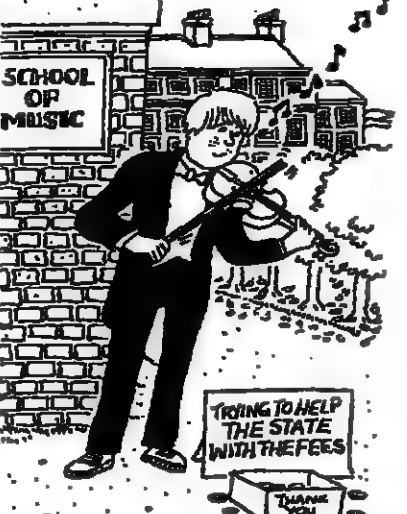
Mr Vallins said the school was different from a traditional boarding school. "I think our junior boarders are the happiest lot of boarders I have ever seen," he said. "If I am ever feeling miserable in the evening I go up to see the junior school."

Chetham's has some famous former pupils. There is Peter Donohoe, the pianist who won the Moscow Tchaikovsky competition; Anna Markland, BBC Young Musician of the Year in 1982; and Mike Lindup, founder of the progressive rock group, Level 42.

This year Chetham's has 31 regional finalists in the BBC Young Musician Competition.

Mr Vallins denies that Manchester is an awkward place to have a music school, although he said it explains why there is so little public awareness of Chetham's. He maintains that the school could be nowhere else but Manchester.

This is because there is a big and successful conservatoire in the Royal College of Music, he said, giving a pool of top quality expertise.



Mr Vallins

their normal academic work. Each child receives two-and-a-half hours individual tuition in their instruments each week from a highly specialized teacher who may travel from as far as Edinburgh or London.

This explains the high fees. Pupils are also required to spend not less than two hours a day practising on their own and under supervision.

Music is a constant extra-curricular theme. Children take part in three or four lunchtime recitals a week plus chamber group rehearsals and musical activities at weekends. As a result, they spend less time on academic work than in an ordinary school, but their examination results do not appear to suffer.

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YACHTING

Stars and Stripes wins race but loses appeal over 'plastic fantastic'

From Barry Pickhall, Fremantle



Dennis Conner, the master strategist at the helm of San Diego's challenger for the America's Cup, the *Stars and Stripes*, gained a memorable victory over New Zealand IV, the 'plastic fantastic', on the water yesterday. But then he lost the battle to persuade other challengers to join his syndicate's sail for Lloyds to carry out the 'tests' on the previously unbeaten glassfibre New Zealand yacht.

At last night's meeting attended by 12 of the 13 challengers, the proposed amendment to the regatta conditions, calling for core samples to be taken from the glassfibre New Zealand yacht to check that it had been trekked according to plans, failed to gain a majority.

The delegates were undoubtedly influenced by the uncompromising stand taken on the matter by Lloyds. Lloyds sent a letter to the meeting re-stating their view that New Zealand IV passes their scintillating rules, and suggesting that this forum was not the place to discuss monitoring procedures. Lloyds went all information on the subject to be withheld pending receipt of an official protest from the San Diego group. Conner still has the opportunity to file an official protest against New Zealand, but this now seems unlikely.

However, Conner and his crew could not be robbed of the satisfaction of being the first to defeat the New Zealanders since the challenge trials began on October 5. Their victory means that three yachts now lead the pack — *Stars and Stripes*, *Amelia* and *New Zealand IV* — each counting nine wins each.

Yesterday's racing, sailed in a wicked chop left over from the previous day's gale and steady 20 to 22-knot winds, provided the first hard test for the challengers in conditions they can expect most days during the final races next year. Two crews were whittled even before the start, after the boom broke for the second time in this series on *Courageous*, and *Challenge*.

France suffered a main-hall failure. Britain's crew aboard *White Crusader* also came perilously close to returning early when their mainsail split eight minutes before the start. Harold Cudmore hurriedly called for their tender to come alongside with a spare sail, which was hoisted aboard moments before the five-minute deadline.

Then it became a race against time to get the sail hoisted before the start against *Eagle*, skippered by Rod Davis. They managed with two minutes to spare, despite the harrassing tactics of their opponent, and went on to trounce the American boat by a 4min 43sec margin.

All eyes, however, were ranged on that needle match between Conner and Chris Dickson. On their way out to the course, both had sailed past USS Missouri, on a courtesy visit to Fremantle from Conner's home town. Were the New Zealanders intimidated by the sight of the American battleship's 16-inch guns? 'No, but it did seem a somewhat extreme way of taking core samples,' Dickson said later.

The New Zealanders won the start by a whisker, heading out towards the port hand side after forcing Conner to take the opposite tack. When the two crossed a few minutes later, the 'plastic fantastic' held a three-length lead. When they crossed again, the New Zealanders had pulled out an even greater lead, but after tacking right in *Stars and Stripes*' wind, the Americans went about just as a shift in the wind swung to their favour.

It was just the break Conner required, and when the 12-metre yachts next crossed paths, the New Zealanders were forced to tack under the Americans. A lesser skipper would have instinctively tacked away, but not Conner.

Using the waves to full advantage, the San Diego skipper edged his boat out to weather until abreast his rival. He would have been content to have sailed on that parallel course right out to the lay line had the New Zealanders not performed two tacks in quick succession in an effort to wriggle clear.

That manoeuvre broke the American cover, but the New Zealanders almost stopped in the process, giving Conner a 67-second lead at the weather mark. Dickson and his crew lost a further 10 seconds with a ragged gybe-out spinnaker hoist and gained precious little back on the second beat.

The race only came alive again after the two reaching legs, when the New Zealanders clawed back to within 18 seconds of *Stars and Stripes* transom at the third weather mark, but then dropped back on the final beat, finishing 49 seconds adrift on the final beat.

In other races yesterday, *America II* finished 6min 34sec ahead of *Azzurra*, while *Italia* and *USA* both cruised round the course after their opponents (*Courageous* Challenge and France respectively) dropped out. French *Kiss* gained an easy 3min 40sec win over *Heart of America*.

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Admiral fires a broadside

Admiral Sir Ian Easton, president of Britain's White Horse challenge for the America's Cup said yesterday that defending syndicates would have an unfair advantage if replacement keels had to be cast in the country of origin (Barry Pickhall writes).

He called on the Italian race committee from the Yacht Club Costa Smeralda, the organizers of the challenge trials, to reply immediately to a request he made six days ago seeking the Supreme Court in New York to rule on whether replacement 12 metre keels can or cannot be cast in Australia.

'We understand that the Kookaburra Syndicate have cast 10 keels to date,' Sir Ian said. 'If we wanted to match that it would cost us \$700,000 in air-freight charges alone.'

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Ahead at last: Stars and Stripes rounds a mark ahead of the previously unbeaten New Zealand IV in yesterday's race

TENNIS: LENDL HEADS ANTWERP'S GLITTERING COMMUNITY CHAMPIONSHIP

Carat dangles for McEnroe

By Rex Bellamy, Tennis Correspondent

Ivan Lendl and John McEnroe will be the main attractions of the European Community championships to be played in Antwerp from November 3-9. Lendl has won the event three times in four attempts, earning more than £500,000 in prize money, plus a golden, diamond-studded racket valued at almost £500,000, which was on offer to anybody who could win the title three times in five years.

In three previous appearances McEnroe has won the championship once — after Gene Mayer had disposed of Lendl — and has twice been runner-up to Lendl. McEnroe has won more than £300,000 in prize money, but he will be less concerned about the prize money than the chance to confirm that, having won three consecutive tournaments after a break of more than six months from competition, he is now back in Lendl's class.

The three most obvious changes in this year's ECC concern the title, the prize money, and the entry. The title of the former European champions' championship has been amended because the tournament is now under the auspices of the European Community.

By Rex Bellamy, Tennis Correspondent

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Top gear progress in Porsche

From a Correspondent Stuttgart

Hans Mandlikova, who is a last-minute entry into the Porsche Classic that begins in Brighton on Monday, caused her way into the semi-finals of the Porsche grand prix yesterday with a 6-2, 6-4 victory over Zina Garrison.

Playing her first tournament after her surprise exit to Wendy Turnbull at the US Open, Mandlikova had begun the week sluggishly, requiring three sets to defeat Rosalyn Fairbank and Bettina Bunge.

But against a frustrated Garrison, the Czechoslovakian approached her best form, helped by a devastating serve that produced seven aces.

'We had some really close matches and she was out to get me and I couldn't get to her serve,' said Garrison. 'That kept me off balance and put a lot of mental pressure on me.'

Once she knew her serve was there, Mandlikova was confident of victory. 'If I'm serving well the rest of my game falls into place,' she said.

Pam Shriver was unimpaired in defeating Ann Henricksson 6-1, 6-2. 'I didn't have quite the same fire that I've had recently. It wasn't that great a match but I gave up very few games and didn't lose serves,' she explained.

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HORSE TRIALS
Green on Shannagh on top in Dutch

From a Special Correspondent

Lacinda Green on Shannagh produced one of the best tests she had ever achieved in the dressage arena to go into the lead at the Dutch championships, three-day event at Breda, although she was only a fifth of a penalty clear of Karen Renner, the American on Arbour Hill.

Shannagh, not usually a free mover, was more to flow through this test by Mrs Green, who won this event with Wide Awake back in 1975. However, had Arbour Hill, a latter-day Breda test, stood squarely at all the halts, the American would have led the 52-strong field from 10 nations.

As Mrs Green is still suffering from the effects of a fall at Weston Park last Sunday, she was not included in the British team. They missed her and could only manage fourth place behind the best nation.

The British team is Karen Straker (The Wexford Thoroughbred), Rachel Brookes (Buckdown), Rodney Powell (General St. Majors) and Charles Strahan (Delphic Dancer). An interesting mixture which augurs well for the stresses of today's cross country course.

One of the more demanding fences is the 20th, an S-shaped obstacle with a corner, lined ponds in the middle of each loop.

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Reality dawns

